Concept Note

National REDD+ Investment Framework and Action Plan (NRIFAP)

Sri Lanka | United Nations Development Programme (UNDP)

14 September 2016

GREEN
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FUND

Concept Note

The Green Climate Fund (GCF) is seeking high-quality projects or programmes.

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Project/Programme Title:	**National REDD+ Investment Framework and Action Plan (NRIFAP)**
Country/Region:	Sri Lanka
Accredited Entity:	UNDP
National Designated Authority:	Ministry of Mahaweli Development and Environment of Sri Lanka

GREEN CLIMATE FUND

Please submit the completed form to fundingproposal@gcfund.org[1]

A. Project / Programme Information

A.1. Project / programme title	National REDD+ Investment Framework and Action Plan (NRIFAP)
A.2. Project or programme	Project
A.3. Country (ies) / region	Sri Lanka
A.4. National designated authority(ies)	Ministry of Mahaweli Development and Environment (MMDE) of Sri Lanka
A.5. Accredited entity	United Nations Development Programme
A.6. Executing entity / beneficiary	Ministry of Mahaweli Development and Environment of Sri Lanka/ Beneficiary:
A.7. Access modality	Direct ☐ International O
A.8. Project size category (total investment, million USD)	Micro (≤10) ☐ Small (10<x≤50) ☐ Medium (50<x≤250) O Large (>250)
A.9. Mitigation / adaptation focus	Mitigation O Adaptation ☐ Cross-cutting ☐
A.10. Public or private	Public
A.11. Results areas *(mark all that apply)*	*Which of the following targeted results areas does the proposed project/programme address?*
	Reduced emissions from: ☐ Energy access and power generation (E.g. on-grid, micro-grid or off-grid solar, wind, geothermal, etc.) ☐ Low emission transport (E.g. high-speed rail, rapid bus system, etc.) ☐ Buildings, cities, industries and appliances (E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.) O Forestry and land use (E.g. forest conservation and management, agroforestry, agricultural irrigation, water treatment 0and management, etc.)
	Increased resilience of: ☐ Most vulnerable people and communities (E.g. mitigation of operational risk associated with climate change – diversification of supply sources and supply chain management, relocation of manufacturing facilities and warehouses, etc.) ☐ Health and well-being, and food and water security (E.g. climate-resilient crops, efficient irrigation systems, etc.) ☐ Infrastructure and built environment (E.g. sea walls, resilient road networks, etc.) ☐ Ecosystems and ecosystem services (E.g. ecosystem conservation and management, ecotourism, etc.)
A.12. Project / programme life span	5 years
A.13. Estimated implementation start and end date	Start: 2017 End: 2021

B. Project/Programme Details

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[1] Please use the following naming convention for the file name: "[CN]-[Agency short name]-[Date]-[Serial number]" (e.g. CN-ABC-20150101-1).

The Fund requires the following preliminary information in order to promptly assess the eligibility of project/programme investment. These requirements may vary depending on the nature of the project/programme.

B.1. Project / programme description (including objectives)	**Rationale and Context**

The proposed project supports the Government of Sri Lanka (GoSL) to implement its National REDD+ Investment Framework and Action Plan (NRIFAP), currently being finalised with the support of the UN-REDD Programme. The GoSL has undergone a 3-year REDD+ readiness process in order to assess the feasibility and role of REDD+ in its forest management system and within its national development process. At an advanced stage of REDD+ readiness, the GoSL is about to meet the requirements under the Warsaw Framework (i.e., UNFCCC Decisions 9 -15/CP.19) to operationalize REDD+ in Sri Lanka.

Background

1. Brief description of Sri Lanka

Sri Lanka is a lower middle-income island country in the Indian Ocean with a population of approximately 20 million, and has a high population density of 325 persons per square kilometre. Since the three-decade civil conflict ended in 2009, the country has made significant progress in rebuilding itself and is now striving to become an upper middle-income country in the coming decades.

Despite the country's overall economic growth at an average rate of 6.4% between 2010 and 2015, Sri Lanka still faces a number of challenges that often come with progress toward becoming a higher middle-income country. While extreme poverty is low, moderate poverty remain a challenge, as rural-based agrarian social and economic structures continue to shift towards a more urban production and service based economy. This trend calls for more structural and strategic public sector reforms through which to improve and expand public services in education, health and social assistance, as well as to enhance the role of the private sector and to provide incentives for greater diversification and productivity in order to create more jobs and expand its tax base to meet the increased public service demand. Such a socio-economic transition has also altered human-environmental relations, and thus the ways in which the country's forests and forest resources are managed have also changed.

Accompanying the country's steady economic growth, Sri Lanka's forest cover declined at an average rate of 0.3% annually between 2010 and 2015, according to the Global Forest Resources Assessment 2015 (FAO, 2015). Today, the country has a total forest area of approximately 1.95 million ha (Edirisinghe, Ariyadasa & Chandani, 2012).

2. Drivers of deforestation and forest degradation

Sri Lanka is divided into three main climatic zones (wet, dry and intermediate) based on average annual rainfall. The natural vegetation also displays diversity and distribution generally in accordance with this division, with some variation within each zone. By the dawn of the 19th century, Sri Lanka's forest cover was estimated at over 70% of the total land area. Since then, the forest cover has decreased progressively over time, and today the country's forest cover has declined to 29.7% of the total land area.

A study[2] of drivers of deforestation and forest degradation conducted in 2014 looked at a number of key historical drivers during the pre-independence era such as: 1) growth of the export plantation economy, a major driver of deforestation during the British colonial period; 2) the commercial timber extraction policy of colonial rulers, leading to forest degradation

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[2]http://redd.lk/web/images/contents/document_centre/communiation_materials/1_Drivers_of_Deforestation_n_Forest_Degradation_in_SL_Summary.pdf

throughout the country; and 3) land settlement and irrigation development in the dry zone. These historical drivers had variably shaped the country's forest cover and management practices, going into its post-colonial period in the 1940s.

The spatial analysis of forest cover change between 1992 and 2010 shows that the overall rate of deforestation had slowed down. Deforestation appeared to be more scattered and widespread all over the country instead of being concentrated largely in a few selected areas, and took place at a higher rate in the dry zone compared to the wet zone. During this period, the highest rate of forest cover change (in absolute terms) was observed in Anuradhapura district followed by Moneragala, Hambantota, Ampara and Puttlam districts. While the top five districts were located in the dry zone, Matale and Kalutara reported the highest rates of forest cover change in the intermediate and wet zones respectively. See Table 1 below for more detailed figures.

District	Total land area (Ha.)	Forest cover - 1992		Forest cover - 1999		Forest cover - 2010	
		Area (ha.)	%	Area (ha.)	%	Area (ha.)	%
Ampara	441,500	171586	8.06	166573	8.26	153257	7.66
Anuradhapura	717,900	302932	14.23	269354	13.35	261667	13.08
Hambantota	260,900	81404	3.82	86878	4.31	58815	2.94
Kalutara	159,800	22611	1.06	19266	0.96	17879	0.89
Matale	199,300	87620	4.11	73680	3.65	75847	3.79
Moneragala	563,900	250962	11.78	225774	11.19	222990	11.14
Puttalam	307,200	105493	4.95	93938	4.66	87806	4.39

Table 1: Forest cover changes in key Districts

Since 1992, when Sri Lanka's first systematic forest cover assessment was conducted, key drivers of deforestation and forest degradation have been broadly characterised as: 1) encroachments, 2) infrastructure development projects, 3) large-scale private agriculture ventures, and 4) localized small-scale degradation activities scattered around the country.

There have been encroachments for agriculture, settlements and other purposes such as gem mining and coastal shrimp farming. A recent rise in infrastructure development activities for irrigation, resettlements, roads and highways, harbours and airports, tourism, and power generation and transmission has also contributed to forest loss since the end of the civil conflict in 2009. Furthermore, commercial rain-fed highland agriculture and the development of smallholder plantation agriculture in the wet zone have become major drivers of recent deforestation.

Forest degradation is caused by felling (illicit or otherwise) and practices such as cardamom cultivation, fuelwood collection, collection of various non-timber forest products (e.g. rattan, medicinal plants, resin), grazing lands for cattle, anthropogenic forest fires. Illicit felling, though not large scale, is prevalent throughout the country. Gem mining and quarrying are also responsible for forest degradation.

These proximate drivers are mobilized by underlying drivers such as increased demand for land by agricultural activities and infrastructure development projects, as well as for forest products in national and international markets. Land-sector policies on food security and to meet the increased need for energy and infrastructure often support these underlying drivers. This is often as a result of poor coordination among agencies, population growth, technological advancement, commercialization of rural economies and political patronage. Meanwhile, periodic regularization of encroached land together with lack of law enforcement by authorities are identified as underlying drivers of encroachment in remote communities.

At the same time, the study highlights some existing countervailing mechanisms to address these drivers, including protected area management and policies, environmental laws and regulations, spread of home gardens (as a source of timber and other resources), customary rights, public pressure, labour migration and off-farm employment opportunities and general awareness.

Likely future scenarios of deforestation and forest degradation in the country will be influenced by broader policy directions taken by the current government, which came into power in 2015. As with the policy of the previous government, the current government also aims to expand the country's forest cover to 32% by 2030. Meanwhile, the National Physical Plan (up to 2030) proposed under the previous government may have some negative impacts on the existing protected area network, and through the expansion of irrigation development and the energy sector.

3. Role of REDD+ in addressing drivers and underlying causes in Sri Lanka

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a climate change mitigation mechanism under the United Nations Framework Convention on Climate Change (UNFCCC). The decisions on REDD+ by the Conference of the Parties (CoP) to the UNFCCC (UNFCCC, 2016) recall the relevance of provisions of the Convention to REDD+.

Articles 2 and 3 of the Convention underscore the importance of taking mitigation action in ways that respect developing countries' priorities for poverty alleviation and social and economic development, and that take into account developing countries' respective capacities and socioeconomic conditions in fulfilling the common responsibilities under the Convention. Concurrently, Article 4 emphasises the need for action including REDD+ interventions to be cost-effective, while making available adequate and predictable finance through developed countries to assist developing countries in fulfilling their responsibilities.

Taking these principles into account, Sri Lanka's REDD+ vision was established through a series of stakeholder consultations with both government and non-government stakeholders. "Forests and beyond, sustaining lives and livelihoods in a greener Sri Lanka" is the country's REDD+ vision through which to harness the transformational potential of REDD+ in order to ensure sustainable land management practices that protect, maintain and enhance ecological functions and social benefits, while sustaining the current economic growth.

For Sri Lanka, REDD+ has thus been framed in such a way that it looks beyond the narrow confines of carbon finance to contribute to addressing key environmental challenges such as water pollution, flood, drought and landsides. Through REDD+, the GoSL recognizes an opportunity to address its current limitations in ensuring integrated and sustainable land and forest management. The lack of coordination in land management practices are contributing to and exacerbating those environmental challenges.

Of the five REDD+ activities referred to in the UNFCCC CoP decision (1/CP.16, paragraph 70), Sri Lanka will start by focusing on two of the five activities: (a) reducing emissions from deforestation; and (e) enhancement of forest carbon stocks. Over time, at least one of the additional activities – (b) reducing emissions from degradation – will be added once necessary measurement parameters have been set, and the national forest emission levels have been upgraded and resubmitted to the UNFCCC.

The country's REDD+ vision is also supported by a number of key national initiatives such as Wana Ropa (planting of forest), a three-year programme, starting from this year, to increase the country's forest cover to achieve the above mentioned 32% forest-cover target. Wana Ropa is part of Punarudaya (renaissance), a larger programme, also launched this year, to drive the country's sustainable development process. Building on the National Environmental Action Plan (Haritha Lanka), the overall goal of Punarudaya is to establish key enabling

conditions for sustainable development in Sri Lanka through, among others, sustainable land and natural resources management.

Furthermore, there is also a strong synergy between this particular framing of REDD+ in Sri Lanka and broader national policies and strategies such as Sri Lanka Next, a blue-green development strategy for the sustainable development of Sri Lanka, and the National Watershed Policy. The commitment by the GoSL to internalise REDD+ is also strongly reflected in its Intended Nationally Determined Contribution (INDC)[3], which acknowledges the role of sustainable management and conservation of forests including mangroves. The GoSL signed the Paris Agreement in April 2016.

4. Progress on Sri Lanka's REDD+ readiness

With the support of the UN-REDD Programme, the GoSL has implemented its REDD+ readiness programme since 2013. The programme is designed to establish necessary mechanisms and processes required under the Warsaw Framework for REDD+ (UNFCCC CoP Decisions 9 - 15 /CP.19). Figure 1 shows the key design elements/mechanisms and processes of REDD+ that the GoSL has been working to establish through the REDD+ readiness programme.

In addition, the Community-based REDD+ (CBR+)[4] initiative has been piloted in Sri Lanka since 2015 through which a number of grassroots projects, closely aligned with nationally defined REDD+ priority action areas, have been technically and financially supported to contribute to national REDD+ strategy development process by demonstrating certain REDD+ relevant approaches at the community level. These projects also target the seven districts that have been identified as deforestation and forest degradation hotspots.

Figure 1 REDD+ Elements and Required Information Streams under the Warsaw Framework

The following provides an overview of progress made toward establishing the key design elements/mechanisms (see Figure 1 above) with support from the Sri Lanka UN-REDD National Programme.

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[3] See INDC of Sri Lanka, http://www4.unfccc.int/submissions/INDC/Submission%20Pages/submissions.aspx
[4] CBR+ is a joint initiative of the UN-REDD Programme and the Global Environment Facility (GEF) Small Grants Programme (SGP) through UNDP, implemented globally in six pilot countries including Sri Lanka, to support forest dependent communities in building their capacity to effectively engage in REDD+.

1. National Strategy/Action Plan (NS/AP) - National REDD+ Investment Framework and Action Plan (NRIFAP)

REDD+ countries are required to make their National Strategies or Action Plans publically accessible through the UNFCCC Information Hub in order to indicate how they plan to implement REDD+ in their countries and what development outcomes and carbon emission reduction and removal targets are being sought.

After identifying the key drivers of deforestation and forest degradation through a combination of primary and secondary data analyses, a list of candidate REDD+ policies and measures (PAMs) for addressing the drivers was identified in 2015 through a highly consultative process. A wide range of sectoral stakeholders from public institutions concerning economic planning, infrastructure, agriculture, environment, forestry and finance as well as from civil society organizations, universities and the private sector all came together over several consultation sessions to jointly identify the candidate PAMs. A theory of change was constructed to ensure logical relations between the identified candidate PAMs and drivers of deforestation and forest degradation.

The candidate PAMs were then prioritised through multi-criteria analysis using social and environmental safeguards and feasibility factors including implementation cost, institutional coordination capacity, technical/functional capacity, formulation/reform/implementation timeframe, and expected carbon and non-carbon impacts, as prioritisation criteria.

In parallel, the country's REDD+ vision was defined to recognise the role of REDD+ within the overall national development process, while pointing to the need for a cross-sectoral framework to anchor the PAMs. Accordingly, the GoSL takes a highly integrated approach to developing action and financing plans to implement the PAMs through which domestic finance is used as a base to leverage new and additional support and results.

In relation to the drivers of deforestation and forest degradation, the selected PAMs mainly focus on two key strategies: 1) improving regulatory measures (i.e., law enforcement, environmental impact assessment, forest boundary demarcation) to protect natural forests from encroachment, infrastructure development and private agricultural ventures; and 2) increasing the supply of fuelwood and timber from other forest lands to address localised drivers for subsistence and small-scale economic activities. In addition, the GoSL plans to improve the overall effectiveness of its sustainable forest/land management regimes to enhance its forest cover and forest carbon stocks across the country.

Thus, the selected 14 priority PAMs, shown in Table 2 below, have currently been matched against relevant public sector activities and development partner initiatives to identify existing resources as well as investment gaps to develop an integrated action and financing plan. The Action Plan will also link each PAM with its expected REDD+ impact and current safeguard status to form the backbone of the NRIFAP.

Policy Area 1: Forest, Wildlife and Watershed	
PAM 1:	Improvement of law enforcement & monitoring on the ground
PAM 2:	Forest boundaries survey, demarcation and declaration in appropriate management categories
PAM 3:	Restoration of degraded forests and wildlife ecosystems
PAM 4:	Sustainable Forest Management (natural forests)
PAM 5:	Sustainable management of forest plantations
PAM 6:	Protection of watersheds
Policy Area 2: Land Use Planning	
PAM 7:	Support inclusion of Strategic Environmental Assessment under Land Use Planning (LUP)
PAM 8:	Strengthening of Environmental Impact Assessment process
PAM 9:	Improve land productivity and rehabilitation practices

PAM 10:	Improve the tree cover of non-forested lands (home gardens, urban centre, public lands and settlements)
Policy Area 3: Other Forested Lands	
PAM 11:	Protection of Vihara Devalagam, Janataha Estate Development Board (JEDB), Sri Lanka State Plantations Cooperation (SLSPC), Regional Plantation Companies (RPCs) & Land Reform Commission (LRC) forested lands
PAM 12:	Support the acquisition of natural forest lands under LRC by the Forest Department
PAM 13:	Identify local supply chain for fuelwood demand
PAM 14:	Development of agroforestry models for addressing forest degradation

Table 2: Identified Priority REDD+ Policies & Measures

These PAMs are grouped into three priority policy areas, aligned with Sri Lanka's INDC and other national priority policies mentioned earlier – (i) Forest, Wildlife and Watershed, (ii) Land Use Planning and (iii) Other Forested Lands. Technical working groups with senior officers of relevant institutions have been formed to flesh out these PAMs with specific action plans under each priority policy area.

Many of the PAMs under Land Use Planning focus on ensuing enabling conditions to allow successful implementation of other PAMs that are more focused on generating carbon emission reductions and/or removals. The GoSL views these enabling conditions essential to ensuring the role of REDD+ as an agent for supporting broader transformation towards sustainable development.

A first draft NRIFAP will be publicly available for comments in November 2016. The final NRIFAP is expected to be officially adopted during the International Day of Forests in March 2017.

2.   National Forest Reference Emission Level/Forest Reference Level(FRL)

REDD+ countries need to develop a Forest Reference Emission Level / Forest Reference Level (FRL) as one of the key design elements of REDD+. The UNFCCC has defined a FRL as the benchmark for assessing a country's performance in implementing REDD+ activities through PAMs. The construction of the FRL involves preparing different scenarios while taking into consideration various national development plans and emission reduction targets.

Sri Lanka's FRL is currently being prepared at the national scale with an initial focus on deforestation and enhancement based on above-ground and below-ground biomass. The reference period for the FRL will be based on forest and land cover change analysis between 2000 and 2015 and IPCC Tier 1 default emission factors will be used. A study on whether the FRL requires an adjustment to take account of national circumstances is due for completion in September, and the GoSL plans to submit its FRL to the UNFCCC by January 2017.

3.   National Forest Monitoring System (NFMS)

Sri Lanka's National Forest Monitoring System (NFMS) for REDD+ consists of three major components: (a) a Satellite Land Monitoring System (SLMS) (b) a National Forest Inventory (NFI) and (c) Greenhouse Gas Inventory data. The information generated through the NFMS will be publicly available through an online geo-portal for data storage, analysis and information dissemination. The NFMS uses a combination of these data sources and assessments to estimate anthropogenic greenhouse gas emissions by source and removals by sinks, forest carbon stocks and forest area changes in order to measure and report on the performance of REDD+ activities implemented by the GoSL against its submitted and assessed FRL. It may also allow for the implementation of specific PAMs to be monitored and their carbon and non-

carbon impacts to be compared, thus permitting refinement and adaptive management of the national REDD+ strategy.

Currently, based on the data-sharing agreement signed between FAO, the Forest Department, the Department of Wildlife Conservation, Survey Department, the Central Environment Authority and the Climate Change Secretariat, the work on thematic data collection for NFMS development has been completed along with the NFMS design and data processing modalities. The NFMS geo-portal is expected to be finalised and accessible to the public by October 2016. Institutional arrangements for hosting the portal have already been identified. Meanwhile, Activity Data preparation for the GHG inventory (using time-series land-use land cover (LULC) maps of 2000, 2005, 2010, 2015) will be completed by the end of December 2016. GHG inventory training sessions have been completed with key departments. A NFI manual, methodology, and pilot NFI training will be completed by March 2017.

4. Safeguards/ Safeguards Information (SG)

Forty-four criteria developed by stakeholders and applied during the prioritisation of the PAMs strongly reflect key elements of the safeguards referred to in the Cancun Agreements. Earlier this year, the Cancun safeguards were nationally clarified based on these criteria through a series of consultations with a large group of stakeholder representatives from key government institutions, CSOs, expert networks and forest-dependent communities in the identified hotspots.

There are a total of 55 nationally-clarified safeguards, identified through this process. Table 5 under Section F, 'Risk Analysis', displays many of these nationally-clarified safeguards. These national REDD+ safeguards have now been further assessed to identify whether, and to what extent, they are being addressed and respected through Sri Lanka's existing policies, laws and regulations (PLRs). In addition, current shortcomings in relation to the existing PLRs and how such shortcomings might be addressed in the future are being identified. Another exercise has also been conducted to assess social, environmental and governance risks and benefits associated with the implementation of each of the 14 PAMs in order to ensure effective coverage of those risks by the safeguards.

The risk assessment also utilized the findings from related studies on land tenure and barriers to greater inclusion of gender considerations and women in REDD+. Another study on existing grievance redress mechanisms has identified and assessed existing mechanisms at different scales to deal with a range of issues that may arise despite the safeguards and proactive stakeholder engagement described below. A list of completed and currently on-going feasibility studies under the Sri Lanka UN-REDD National Programme is provided in Section J. Supporting Documents for Concept Note.

A system for providing safeguard information, including how the safeguards are addressed and respected, to the UNFCCC, as well as to the public, is currently being designed and is due for completion by end-September 2016.

5. National Institutional arrangements/Stakeholder Engagement

The above described process for establishing the key design elements has been guided by two national taskforces – i) the Taskforce on National Policies and Strategies (TSNP&S) and ii) the Taskforce on Measurement, Report and Verification (TFMRV), whose members consist of officially-appointed representatives of relevant national institutions including those responsible for national budget planning and economic development. The TSNP&S has been sub-divided into three thematic technical work groups to lead the discussions and consultations under the three priority policy areas of PAMs.

Throughout the REDD+ readiness process, enabling conditions for strong stakeholder engagement, particularly by non-state stakeholders, have been established and maintained to

ensure their full and effective participation in REDD+ policy processes. Several stakeholder forums/networks - Sri Lanka Climate and Forest Action Network (SLCFAN – CSO network), REDD+ Academic and Research Forum, Indigenous People (IP) and Private Sector Forums - have been established to provide coordinated and streamlined policy feedback and to ensure that their stakeholder interests are considered and reflected in decisions taken by the above mentioned taskforces.

Going forward, the GoSL has established a national body called, the REDD+ Advisory and Coordination Board (RACB), to ensure successful implementation of the NRIFAP through strategic and effective coordination and management of REDD+ investments through both internal and external sources. The RACB is chaired by the Secretary of the Ministry of Environment and Mahaweli Development and Environment, and involves the relevant line ministries, departments and government agencies. The functions of the RACB also include ensuring effective dissemination of information and transparency of decision-making process. The RACB will also consult closely with the SLCFAN and other stakeholder forums during the implementation of the NRIFAP.

There is an on-going assessment of existing capacities, functions and mandates of institutions, identified to play key roles in implementing REDD+ in Sri Lanka, against the internationally agreed requirements (i.e. UNFCCC CoP Decisions 9 - 15/CP.19). The assessment will also recommend a capacity development action plan, which will be incorporated into the NRIFAP to ensure its effective implementation. The assessment is expected to be finalised by November this year.

<u>Project Objective</u>

The project aims to **reduce emissions from deforestation and forest degradation and to enhance forest carbon stocks** in Sri Lanka to support Sri Lanka's vision for REDD+.

The GoSL envisions an outcome through REDD+ that resonates beyond its forest sector to benefit the country's overall sustainable land management efforts to maintain and enhance ecosystem services and economic growth while minimizing risks of natural disasters.

To achieve this outcome through REDD+, the GoSL proposes to deliver the following 5 key outputs, which are also key components of the NRIFAP. A range of technical assessments together with a series of stakeholder consultations on issues including drivers of deforestation and forest degradation, FRL, REDD+ PAMs, NFMS, safeguards, various functional and technical capacity needs and stakeholder engagement were carried out in developing the NRIFAP to ensure the above outcome is achieved through REDD+ in SriLanka.

1) Demonstration of REDD+ Policies and Measures that address targeted drivers of deforestation and forest degradation/removing barriers to forestenhancement;

2) Forest data generated through the National Forest Monitoring System to enable effective and accurate monitoring, measurement, reporting and verification of REDD+ results;

3) Information on nationally-clarified REDD+ safeguards made available to and accessible by the public;

4) Evidence of full and effective stakeholder engagement through the implementation of the NRIFAP; and

5) Evidence of technical and functional capacity development by institutions and individuals with key roles and responsibilities in implementing the NRIFAP.

Description of Outputs and Activities

Output 1. Demonstration of REDD+ Policies and Measures (PAMs) that address targeted drivers of deforestation and forest degradation/removing barriers to forest enhancement

This output focuses on the implementation of the PAMs described in Table 2 above. Throughout the design of the PAMs, a shift towards more sustainable land management practices was the underlying theme in order to achieve the overall outcome. The majority of the PAMs identified are built on the existing and planned activities of relevant national institutions. The purpose of this output is to enhance the overall effectiveness of the existing and planned activities to deliver new and additional carbon and non-carbon impacts. The emphasis is therefore put on providing technical and financial support to these institutions, implementing specific PAMs, in ensuring the realization of each PAM's full carbon potential in the context of REDD+.

There are also a few PAMs that are new. Under this output, the design and implementation of those new PAMs will also be supported at varying scales. As part of the preparation of the NRIFAP, both technical and functional capacity gaps as well as additional financing needs in relation to each PAM have been identified, together with estimated carbon and non-carbon impacts of each PAM. The following activities describe the broad nature of the PAMs in the three priority policy areas. A detailed profile of each PAM, describing among other things its specific geographical focus, implementation arrangements, budget, timeframe, targets, risks and safeguards, has also been developed, and will be made available in the subsequent proposal package.

Lastly, in addition to the nationally-clarified safeguards, those PAMs that will be operating on the ground (e.g. PAM 2: Forest boundary demarcation) will go through a systematic appraisal process before starting any on-the-ground activities to assess potential impacts on rights-holders and to ensure key principles of free, prior, informed consent (FPIC) are being applied. There is a simple guideline document prepared for this purpose.

Activity 1. Under the first policy area - 'Forest, Wildlife and Watershed', a total of six PAMs have been identified to support and enhance GoSL's existing and planned efforts on restoration, sustainable management and enhancement of forests under the purview of the Forest Department (FD) and the Department of Wildlife Conservation (DWC). These PAMs are particularly focused on strengthening law enforcement, forest boundary demarcation and restoration of forest ecosystems in order to ensure the overall effectiveness of national forest management. This area presents the highest emission reduction and removal potential, as well as significant opportunities to deliver non-carbon benefits.

Activity 2. The second policy area – 'Land Use Planning' – focuses largely on broader aspects of land management concerning forests. The four PAMs identified under this policy area support the existing policies and mechanisms related to land use planning in fully adopting strategic and sustainable land management practices with the national forest cover expansion target in mind. The majority of the PAMs under this policy area are considered enabling activities, which support the implementation of other PAMs that are more directly aiming at generating emissions reductions or/and removals.

Activity 3. The PAMs under the third policy area – 'Other Forested Lands' – deal with forest lands outside of the purview of FD and DWC to address the risk of conversion of forests outside the control of the FD and DWC into other land use types through land acquisition and demarcation. It is also to reduce pressure on forests managed by the FD and DWC by increasing fuelwood supply from other forested lands.

Output 2. Forest data generated through the National Forest Monitoring System to enable effective and accurate monitoring, measurement, reporting and verification of REDD+ results

This output focuses on monitoring, measuring and reporting on the performance of REDD+ activities, as well as ensuring the quality and types of data that will enable successful verification of REDD+ results. One of the key areas of support is in the preparation of a technical annex on greenhouse gas inventory (GHGI) for the land use, land-use change and forestry (LULUCF) sector to Sri Lanka's biennial update report (BUR) to the UNFCCC. Capacity development for monitoring of forests and for forest data generation, particularly through the NFI, will be conducted in such a way as to satisfy the international requirements described in COP decisions.

Activity 4. Support to the implementation of a National Forest Inventory (NFI). Based on the institutional arrangements established and the NFI methodology designed and piloted during the Sri Lanka UN-REDD National Programme, with the support of the Forest Survey of India (FSI), the implementation of a complete NFI cycle will be supported under this output.

- One central and five regional NFI units will be established to receive initial NFI support (i.e. technical inventory and data management, processing capacity development with necessary hardware and software). These units will be trained and supported to carry out one full NFI during the project period and to manage subsequent NFIs based on a five-year cycle. In addition, a dedicated database management team will be set up and trained to manage, interpret and present NFI data for both technical planning and policymaking purposes.

- Sri Lanka's forest area will be classified into specific strata, and key tree species will be identified. Based on a review of available allometric equations in Sri Lanka and in neighbouring countries, strata and species will be selected for allometric equation development. The procurement of necessary equipment for destructive sampling will also be supported under this output, and sample measurements will follow technical guidance from FAO. Following laboratory and statistical analysis, resulting equations will be tested in the field and used to develop emission factors for use in Sri Lanka's Greenhouse Gas Inventory (GHGI).

Activity 5. Implementation of Satellite Land Monitoring System (SLMS). Building on the SLMS 'geo-portal' developed under the Sri Lanka UN-REDD National Programme, a comprehensive programme for continuous updating and interpretation of spatial information for the forest sector will continue. Development of temporal land use/land cover maps and database maintenance will be undertaken. Following the launch of the Sri Lanka SLMS geo-portal at end-2016, additionally required imagery, equipment and materials for operation and updating of the portal will be identified, and the acquisition of such items will be supported through this output. Such support will also include the recruitment and training of staff for image interpretation based on stratification, ground-truthing and verification methodology

of satellite imagery, quality control/assurance, collection and maintenance of information related to impacts of the PAMs.

Activity 6. Re-assessment and revision of the initial FRL and preparation of BUR technical annex on GHGI for the LULUCF sector. Following the submission of Sri Lanka's first FRL to the UNFCCC in January 2017, technical advisory and capacity development support services will continue to assist the national FRL team through an independent assessment of the submitted FRL, facilitated by the UNFCCC, and in updating and upgrading the FRL by expanding the scope and increasing data accuracy through the NFI and SLMS. Also, the Climate Change Secretariat (CCS) will be supported in the preparation of BUR technical annex on GHGI for the LULUCF sector.

Activity 7. Research and training related to REDD+ strategy. Identification of research priorities to support the refinement and adaptive management of the PAMs under output 1 from the silvicultural perspective. This may include, *inter alia*, tree improvement programmes for plantations, suitable methods and species trials for restoration of degraded forests in different agro-ecological regions, effect of invasive species on forest growth and quality and methods for eradication, sustainable extraction of non-timber forest projects (NTFPs) from natural forests, and procedures for ecosystem valuation.

Output 3. Information on nationally-clarified REDD+ safeguards made available to, and accessible by, the public

This output ensures that the nationally-clarified REDD+ safeguards and system for providing information on safeguards, developed with the support of the Sri Lanka UN-REDD National Programme during 2016, are implemented successfully. In doing so, the risks associated with the implementation of the PAMs will be reduced or mitigated through the country's existing policies, laws and regulations corresponding to the safeguards, and propose additional measures to improve the effectiveness of the safeguards over time. Through this process, the GoSL will be assisted to generate and submit a summary of information on how the safeguards are being addressed and respected through its national communication, and via the web platform of the UNFCCC after the start of the PAMs implementation for the purpose of obtaining and receiving results-based payments in accordance with UNFCCC CoP decisions 12/CP.17 and 12/CP.19.

Activity 8. Operationalization of institutional arrangements for maintaining the safeguards information system (SIS), building on the outcome of the safeguard work done in 2016. The previous work has already identified and agreed at the national level on the information needs, sources of information (i.e., census, national statistics, NFMS, environmental review reports, EIAs, fiscal reports, judicial record and others), methods of analysis, formats in which information is collected, managed and reported, and dedicated institutions/focal persons to collect, collate and analyse information and to produce a summary of information. There will be an additional quality assurance process, provided through Output 4.

Activity 9. Capacity development for improving the current safeguards status (see table 6). During the safeguard and SIS establishment work in 2016, a number of capacity actions were identified to improve the overall effectiveness of the nationally clarified REDD+ safeguards. The actions include long-term capacity development items such as PLR reforms and formulation of new PLRs, but the majority focuses on short-term action to improve data availability, ways in which PLRs are monitored and evaluated, etc.

Output 4. Evidence of full and effective stakeholder engagement through the implementation of the NRIFAP

Successful delivery of Outputs 1-3 requires a strong buy-in and sense of ownership among all stakeholders, especially to achieve the expected outcome of this project. This output thus focuses on ensuring full and effective stakeholder engagement throughout all relevant decision-making and policy processes and activities on the ground.

During the Sri Lanka UN-REDD Programme, several stakeholder forums/networks were established – namely, the SLCFAN, REDD+ Academic and Research Forum, IP and Private Sector Forums. Several baseline assessments and capacity development training were conducted to understand and where possible improve the currently mechanisms and practices of stakeholder engagement. The issues examined include women's inclusion and empowerment, grievance and redress, public consultation and stake/rights-holder consent seeking. Building on these foundations, the NRIFAP lays out a comprehensive plan to continue with and expand the existing effort on stakeholder engagement to cover the expanded scope of work introduced through the implementation of the PAMs.

Through the delivery of this outputs and below activities, special attention will be paid to ensure successful integration of gender and women's empowerment considerations. Please see Section D.3 for specific gender and women's empowerment targets to be pursued through the project.

Activity 10. Continuation and expansion of support to the established stakeholder forums/networks. During the implementation of the PAMs under Output 1, it will be of critical importance to effectively engage with a range of stake/rights-holders at various levels. The stakeholder forums/networks will be called on to support effective engagement with relevant stake/rights-holder as key intermediaries. Continuing and expanding support to these forums/networks will therefore be strategic and necessary.

Activity 11. Development and dissemination of communication, awareness-raising and policy dialogue materials. It is important to ensure all relevant stake/rights-holders are provided with full and correct information in easily and widely accessible, legible and understandable manners, as such information is often used by stake/rights-holders to form their opinions about certain issues and take action for or against certain matters concerning REDD+.

Activity 12. Support to ensure effective utilisation and functions of existing grievance redress mechanisms. The previous assessment of existing grievance redress mechanisms indicated their strengths and weaknesses, as well as recommendations for improvement. Those recommendations will be implemented to increase their accessibility and an understanding of their different functions and purposes among potential users. Specific activities include establishing a focal point system among existing mechanisms and developing and disseminating information materials, among others.

Output 5. Evidence of technical and functional capacity development by institutions and individuals with key roles and responsibilities in implementing the NRIFAP

This output provides the coordination and management of all the above outputs, and ensures that all necessary technical and functional capacity needs of institutions/individuals with key

roles to play in the implementation of the NRIFAP are met to effectively fulfil their expected roles and functions.

Activity 13. Continuation and expansion of support to the established national taskforces and REDD+ coordination body. The RACB (including most members of TSNP&S) and TFMRV established with the support of the Sri Lanka UN-REDD Programme will continue and expand their roles and functions to oversee and provide policy and technical guidance in the delivery of the project outputs and ensuring coherence across the outputs as well as to create synergy between the project and overall national development process, as envisioned in the outcome of this project.

Activity 14. Provision of capacity development support. All involved institutions taking on specific activity implementation and/or monitoring and evaluation roles and responsibilities must be provided with adequate capacity support to fulfil their expected functions including financial planning, reporting, and procurement.

Activity 15. Overall project coordination and management including, human and financial resources, monitoring and evaluation, reporting. A dedicated Project Management Unit (PMU) within the Ministry of Mahaweli Development and Environment (MMED) will be set up to deliver the overall project coordination and management services.

5. Anticipated mitigation impacts

The following mitigation impacts will be expected through the implementation of the 14 PAMs. Over the life of the project, a total anticipated carbon emission reduction/removal of 9,103,380 tCO_2e will be expected, and given the nature of the PAMs, the anticipated impacts will be sustained beyond the life of the project. Over 10 years, a total anticipated carbon emission reduction/removal of 20,996,829 tCO_2e will be expected directly as a result of the proposed interventions. Please see Table 3 for anticipated emission reductions associated with each PAM, and Table 4 for anticipated cumulative total emissions reductions over 5-year and 10-year periods. In the subsequent proposal package, an uncertainty discount rate and a risk buffer may be applied to these estimates.

Note: By the 3rd year of the project, the FRL will be revised under Output 2 to cover at least one additional REDD+ activity - reduced forest degradation. Required parameters will also be set to start measuring emission removals under this activity from the 3rd year onward.

REDD+ Activity: Reduction of Deforestation			
Yr.	Avoided Emissions per year (1000 tC/year)	Contributing PAM	Assumption
1	137,546	• PAM1: Improvement of law enforcement & monitoring on the ground • PAM7: Support inclusion of Strategic Environmental Assessment under Land Use Planning (LUP) • PAM8: Strengthening of Environmental Impact Assessment process • PAM9: Improve land productivity and rehabilitation practices	• Annual loss of 7147 ha. Over 5 years, a 36% reduction through better monitoring and increased enforcement capacity • Annual loss of 7147 ha. Over 5 years, a 3.3% reduction through better coordination and sectoral alignment in land use planning
2	137,546		• Annual loss of 7147 ha. Over 5 years, a 3.3% reduction through a more stringent project impact appraisal process
3	137,546		
4	137,546		• Annual loss of 7147 ha. Over 5 years, a 3.3% reduction through increasing land productivity to reduce conversion pressure
5	137,546		
6	137,546		
7	137,546		

8	137,546	Enabling PAMs:	
9	137,546	• PAM10: Improve the tree cover of non-forested lands (home gardens, urban centre, public lands and settlements) • PAM11: Protection of JEDB, SLSPC, RPCs & LRC forested lands • PAM12: Support the acquisition of natural forest lands under LRC by the Forest Department • PAM13: Identify local supply chain for fuelwood demand	• Enabling/support action outside of forest by increasing supply of timber and fuelwood to reduce pressure • Enabling/support action to increase forested areas under protection • Enabling/support action outside of forest by increasing supply of timber and fuelwood to reduce pressure
10	137,546		

REDD+ Activity: Enhancement of carbon stocks

Yr.	Removed Emissions per year (1000 tC/year)	Contributing PAM	Assumption
1	212,500	• PAM2: Forest boundaries survey and demarcation as well as declaration in appropriate managerial categories • PAM3: Restoration of degraded forests and wildlife ecosystems • PAM5: Sustainable management of forest plantations	• Total area to be delineated, including wildlife areas over 5yrs: 160,000 ha - 75,000 ha restored under PAM 3 = 85,000 ha. at 2.5 tC/ha/yr. • Total area restored over 5 yrs.: 75,000 ha. 80% dry zone at 4.72 tC/ha/yrs. growth rate 20% wet zone at 4.8 tC/ha/yrs. growth rate, with one year initial downtime for planting activities • Total area under sustainably managed plantations over 5yrs: 5000 ha. at 6 tC/ha/yrs. with one year initial downtime for planting activities
2	280,068		
3	357,108		
4	434,148		
5	511,188		
6	511,188		
7	511,188		
8	511,188		
9	511,188		
10	511,188		
		Enabling PAMs: • PAM4: Sustainable Forest Management (natural forests) • PAM6: Protection of watersheds • PAM 14: Development of agroforestry models for addressing forest degradation	• Enabling/support action to sustainably manage and increase forest biomass (later carbon impacts will be monitored, measured and reported once parameters have been established) • Enabling/support action to increase forested areas under protection and restoration

Table 3: Anticipated Emission Reductions and PAMs impacts

Anticipated Total Emissions Reductions/Removals

Yr	Avoided Emissions per year (1000 tC/year)	Removed Emissions per year (1000 tC/year)	Total (tC/year)	Total (tC0$_2$e/year)	Cumulative Total (tC0$_2$e/year)	Total Emission Reductions during First 5 years (tC0$_2$e)	Total Emission Reductions over 10 years (tC0$_2$e)
1	137,546	212,500	350,046	1,283,500	1,283,500	9,103,380	
2	137,546	280,068	417,614	1,531,250	2,814,750		
3	137,546	357,108	494,654	1,813,730	4,628,480		
4	137,546	434,148	571,694	2,096,210	6,724,690		
5	137,546	511,188	648,734	2,378,690	9,103,380		
6	137,546	511,188	648,734	2,378,690	11,482,069		20,996,829
7	137,546	511,188	648,734	2,378,690	13,860,759		
8	137,546	511,188	648,734	2,378,690	16,239,449		
9	137,546	511,188	648,734	2,378,690	18,618,139		
10	137,546	511,188	648,734	2,378,690	20,996,829		

Table 4: Anticipated Cumulative Total Emission Reduction

6. Co-benefits

In addition to the above-described carbon benefits, the project will pursue a number of non-carbon benefits identified through the prioritization of PAMs, as well as through the benefit/risk assessment in relation to safeguards. The non-carbon benefits will contribute to good environmental governance, rural economic development, social justice and ecosystem services restoration and enhancement, as well as to climate change adaptation. The following proxy indicators (provided the availability of data) will be used to monitor non-carbon benefits throughout the project.

- Increased revenue stream for forest conservation and protection and sustainable forest management through protected area and national forest reserve entry frees
- Reduced Human-wildlife conflicts
- Increased employment opportunities
- Reduced labour hours of women
- Increased timber supply
- Increased fuelwood supply
- Increased water supply from forests
- Reduced natural disaster risks (fire, landslide, etc.)
- Increased agro-forestry outputs

7. Expected contribution to national development priorities

As described under the earlier section elaborating on the role of REDD+ in Sri Lanka, the NRIFAP has been developed in full consultation with a range of government and non-government stakeholders through the REDD+ visioning exercise and development of the PAMs. In addition to the PAMs primarily built on the existing and planned activities of the GoSL, the extensive consultation process has ensured close alignment with national priorities such as Punarudaya, within the context of the overall national development framework to drive sustainable development in the country.

Furthermore, the process of FRL establishment and design of the NFMS has been pursued in close coordination with both the Forest Department and CCS, which leads the coordination and management of Sri Lanka's GHG inventory data for the purpose of communicating it to the UNFCCC. Under the guidance and leadership of the CCS, the NRIFAP is designed to contribute to the achievement of Sri Lanka's INDC.

Sri Lanka aims to reduce its overall GHG emissions unconditionally by 7% - from the energy sector (4%) and other sectors (3%) - and conditionally by 23% - from the energy sector (16%) and other sectors (7%) - by 2030. Through the PAMs for reducing deforestation, the project intends to contribute to achieving both the nationally intended and conditional targets. In addition, the carbon enhancement PAMs are also expected to make a 56% direct contribution (mainly through forest boundary demarcation) over the project period to achieving the 32% forest cover target by 2030.

B.2. Background information on project/progr amme sponsor	**Describe project/programme sponsor's operating experience in the host country or other developing countries.**
	The Ministry of Finance will be the national Implementing Partner (IP) of this project.
	Describe financial status and how the project/programme sponsor will support the project/programme in terms of equity, management, operations, production and marketing.
	The proposed share of GCF and the sponsors (co-financiers) will be as follows:

Output	GCF share (%)	Sponsor share (%)
1. Demonstration of REDD+ Policies and Measures addressing targeted drivers of deforestation and forest degradation/removing barriers to forest enhancement	63	37
2. Forest data generated through the National Forest Monitoring System to enable effective and accurate monitoring, measurement, reporting and verification of REDD+ results	67	33
3. Information on nationally clarified REDD+ safeguards made available to and accessible by the public	79	21
4. Evidence of full and effective stakeholder engagement through the implementation of the NRIFAP	70	30
5. Evidence of technical and functional capacity development by institutions and individuals with key roles and responsibilities in implementing the NRIFAP	77	23
Total	68	32

B.3. Market overview	*Describe the market for the product(s) or services including the historical data and forecasts.* *Provide the key competitors with market shares and customer base (if applicable).* *Provide pricing structures, price controls, subsidies available and government involvement (if any).* Not applicable for this project.
B.4. Regulation, taxation and insurance	**Provide details of government licenses, or permits required for implementing and operating the project/programme, the issuing authority, and the date of issue or expected date of issue.** This is not applicable to this project. In the implementation of REDD+ PAMs, the principles of full and effective participation and consultation together with social and environmental safeguards will be applied to ensure all affected and concerned citizens/stakeholders are informed, consulted and where necessary asked to give consent, prior to taking any decision or action which might affect them. **Describe applicable taxes and foreign exchange regulations.** No taxes and foreign exchange regulations are involved, as no import of machinery/equipment is required. For activities related to procurement of services, including training, through UNDP, according to the SBAA signed with the GoSL, taxes are not applicable. Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, *inter alia*, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for utilities services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. If the services are procured directly by the GoSL implementing partners, then the national procedures apply, which entail the payment of the Domestic Tax (VAT) amounting to 12.5% where applicable. **Provide details on insurance policies related to project/programme.** At present, no insurance policies exist for the proposed interventions; however, the rules and regulations of the union and state governments will be adhered to during the course of implementation.

B.5. Implementation arrangements	**Describe construction and supervision methodology with key contractual agreements.**
	The Ministry of Mahaweli Development and Environment (MMDE), as the National Designated Authority of Sri Lanka for the Green Climate Fund (GCF), has requested UNDP as a GCF accredited agency to lead and coordinate the process of GCF project preparation for REDD+ investment. The MMDE has also requested FAO's involvement in the project preparation to provide necessary technical support to the GoSL under UNDP's overall direction and guidance. The request for this specific working arrangement is built on the recognition of successful inter-UN agency support provided by the two UN agencies through the Sri Lanka UN-REDD National Programme.
	In accessing and administering GCF finance on behalf of the GoSL, UNDP will be the Administrative Agent (AA) of the GCF finance for this proposed project to ensure consistency of the project with the applicable provisions of the Accreditation Master Agreement (AMA) between the GCF and UNDP, and compliance with conditions under the agreed Funded Activity Agreement (FAA).
	The role of FAO in the execution of the project has been defined. FAO's technical assistance for the following outputs and specific activities has been requested:
	• Implementation of the following PAMs under Output 1:
	- *PAM 1: Improvement of law enforcement & monitoring on the ground*
	- *PAM 2: Forest boundaries survey, demarcation and declaration in appropriate management categories*
	- *PAM 3: Restoration of degraded forests and wildlife ecosystems*
	- *PAM 4: Sustainable Forest Management (natural forests)*
	- *PAM 5: Sustainable management of forest plantations*
	- *PAM 10: Improve land productivity and rehabilitation practices*
	• Implementation of Output 2
	- *Support to the implementation of a National Forest Inventory (NFI)*
	- *Implementation of Satellite Land Monitoring System (SLMS)*
	- *Reassessment and revision of FRL*
	- *Research and training related to REDD+ strategy*
	A multi-year budget for providing technical assistance for this support will be prepared by FAO in consultation with the national Implementing Partner (IP) and must be technically cleared by the IP. Upon clearance, UNDP may use the UN-agency to UN-agency agreement to govern the transfer of the cleared budget amount to FAO as the Responsible Party.
	For substantive and financial reporting, UNDP will work with the IP to successfully meet relevant terms specified in the FAA. Accordingly, the RP will follow the procedures and guidelines agreed between UNDP and the IP for all reporting through the IP.
	The Ministry of Finance will be the IP to manage and coordinate the project implementation. There will be a special Project Management Unit (PMU) established under the MMDE to execute the day-to-day management and coordination responsibilities. Under this project, there are 18 public and non-public sector institutions/bodies directly or indirectly involved in the execution of the project activities (see the list below).
	- Forest Department (FD)
	- Department of Wildlife Conservation (DWC) - Regional Plantation Companies (RPC)Department of Buddhist Affairs (DBA)
	- Climate Change Secretariat (CCS)
	- Central Environmental Authority (CEA) - Sri Lanka State Plantation Companies (SLSPC)
	- Mahaweli Development Authority (MDA)
	- Department of Agriculture (DA) - Janatha Estates Development Board (JEDB)
	- Survey Department (SD)
	- Land Use and Policy Planning Department (LUPD) - Sri Lanka Climate and Forest Action Network (SLCFAN)
	- National Physical Planning Department (NPPD) - REDD+ Academic and Research Forum,
	- Indigenous People (IP) Forum
	- Land Reform Commission (LRC) - Private Sector Forum
	As seen in Figure 2, these institutions/bodies are expected to be involved in delivery of different

project outputs. Provincial and district governments will also be involved indirectly in technical activities through their respective central departmental work plans. Among these participating institutions/bodies, direct fund transfers by the IP will be limited to those institutions/bodies, that have recently gone through a fiduciary capacity assessment and received a low-risk rating. In this context, the MMDE is the only institution that currently meets this requirement. For the others, the IP through the PMU will provide necessary direct procurement and activity execution services. This will reduce the administrative complexity of dealing with multiple national institutions/bodies with different fiduciarycapacities and risk levels.
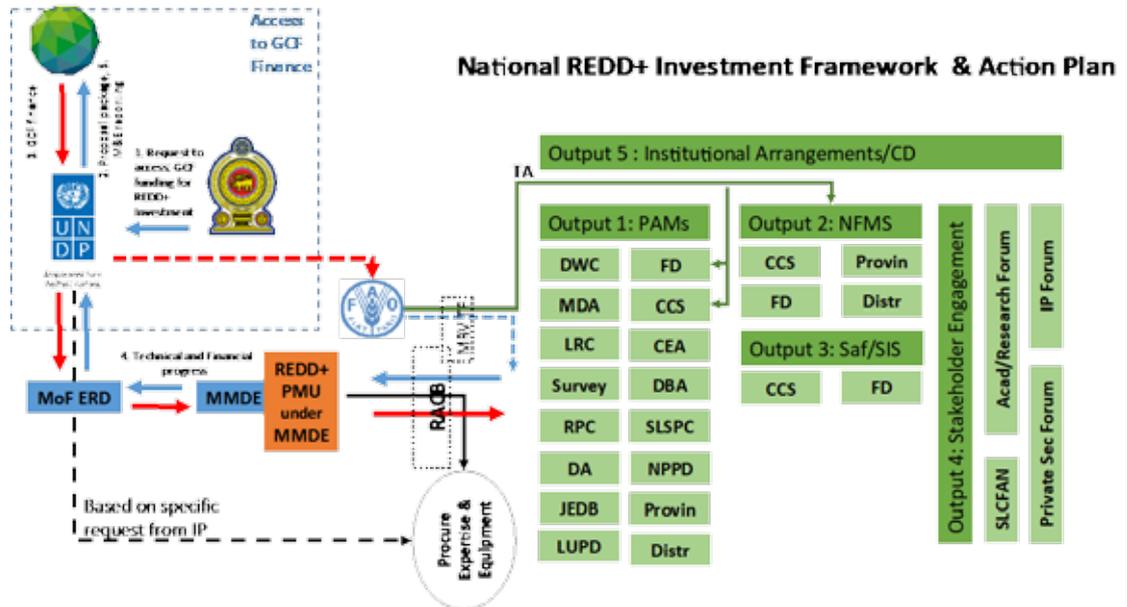

Figure 2: project implementation arrangements

C. Financing / Cost Information

C.1. Description of financial elements of the project / programme	*Please provide:* • *a breakdown of cost estimates analysed according to major cost categories.* • *a financial model that includes projection covering the period from financial closing through final maturity of the proposed GCF financing with detailed assumptions and rationale;* • *a description of how the choice of financial instrument(s) will overcome barriers and achieve project objectives, and leverage public and/or private finance.*

		Financial Instrument	Amount	Currency	Tenor	Pricing
38C.2. Project financing information	**Total project financing (a) = (b) + (c)**		56	Million USD		
	(b) Requested GCF amount	(i) Senior Loans			( ) years	( ) %
		(ii) Subordinated Loans			( ) years	( ) %
		(iii) Equity				( ) % IRR
		(iv) Guarantees				
		(v) Reimbursable grants*				
		(vi) Grants*	38	Million USD		

	Please provide detailed economic and financial justification in the case of grants.				
	Total Requested (i+ii+iii+iv+v+vi)	38	Million USD		

(c) Co-financing Note: these are only indicative co-financing at the stage.	**Financial Instrument**	**Amount**	**Currency**	**Name of Institution**	**Seniority**
		17	Million USD	Min of Finance	
		0.825	Million USD	Community based REDD+ (UNDP/UN-REDD & GEF SGP)	
		0.1	Million USD	UNDP (Gender in REDD+)	

	Lead financing institution: Ministry of Finance
(d) Covenants	
(e) Conditions precedent to disbursement	Note: In addition to the above described co-financing amounts, GoSL's baseline investment into the PAMs is an essential condition for this project to achieve its outcome. A detail breakdown of the baseline investment will be provided in the subsequent proposal package, and the expected total value of the baseline investment is in the range of USD 20 – 35 million for the 5-year project period.

D. Expected Performance against Investment Criteria	
Please explain the potential of the Project/Programme to achieve the Fund's six investment criteria as listed below.	
D.1. Climate impact potential *[Potential to achieve the GCF's objectives and results]*	Please see Tables 3 and 4 above for anticipated carbon impacts on a yearly basis, as well as over 5- and 10- year periods. In the subsequent proposal package, an uncertainty discount rate and a risk buffer may be applied to these estimates.
D.2. Paradigm shift potential *[Potential to catalyze impact beyond a one-off project or programme investment]*	As described earlier, a potential for scaling-up and catalysing impacts beyond this project is ensured through the following: 1. The majority of the PAMs identified are built on the existing and planned activities of relevant national institutions. 2. The project is directly contributing to the country's INDC to address climate change. 3. Lessons through the assessment of FRLs and monitoring of emission reductions and removals through NFMS will contribute to capacity enhancement of other sectors in setting and improving emission reference scenarios and monitoring, measurement and reporting work. 4. Emission removals through the carbon stock enhancement PAMs will continue beyond the life of the project (i.e. the project estimates continued carbon emission removals over a 10-year period). 5. Revision of the FRL during the project will lead to the addition of reduced forest degradation as a REDD+ activity addressed under the national REDD+ strategy, the impacts of which will be monitored, measured and reported to the UNFCCC beyond the life of the project. 6. Increased investment in the rural economy, leading to creation of rural 'green' jobs and long-term sustainable forest management.
D.3. Sustainable development potential *[Potential to provide wider development co-benefits]*	As indicated above, non-carbon benefits sought through this project will contribute to good environmental governance, rural economic development, social justice and ecosystem services restoration and enhancement to support the project outcome, and indirectly to climate change adaptation. The following proxy indicators (given the availability of data) will be used to monitor non-carbon benefits throughout the project. • Increased revenue stream for forest conservation and protection and sustainable forest management through protected area and national forest reserve entry frees • Reduced human-wildlife conflicts • Increased employment opportunities • Reduced labour hours of women • Increased timber supply • Increased fuelwood supply • Increased water supply from forests • Reduced natural disaster risks (fire, landslide, etc.) • Increased agro-forestry outputs **Gender-sensitive development impact** Current barriers[5] to greater inclusion of gender considerations and women in REDD+ related sectors include traditional ideologies and gender norms, lack of

[5] Gurung, J. D., Kono, A. and Ganz, D. (2013) 'Women's Inclusion in REDD+ in Sri Lanka. Lessons from Good Practices in Forest, Agriculture and Other Natural Resources Management Sectors', Joint Regional Initiative for Women's Inclusion in REDD+, WOCAN, UN-REDD Programme, and USAID LEAF.

gender awareness, limited institutional capacities to collect gender-disaggregated data and baseline information, lack of gender indicators and monitoring and evaluation frameworks, perceptions within the forest sector institutions, lack of women's organizations to facilitate the process, and a limited national commitment for gender mainstreaming.

The Ministry of Child Development and Women's Affairs (MCDWA) and some NGOs focusing on gender issues have a high level of interest, but their limited technical knowledge on REDD+ restricts them from engaging in REDD+ strategically.

These barriers have been considered through the on-going NRIFAP development process. The stakeholder engagement process and cross-sectoral dialogue on REDD+ PAMs and safeguards have particularly paid attention to these issues concerning gender and women's empowerment by incorporating specific criteria and indicators and ensuring female representation and involvement of gender experts in technical working group discussions.

The NRIFAP will have a dedicated section on gender and women's empowerment in order to highlight how REDD+ in Sri Lanka, through the implementation of PAMs, stakeholder engagement process and safeguards, will: 1) ensure women's representation and participation; 2) facilitate and build capacity for women's participation; 3) build skills of women; 3) introduce labour and time saving technologies; 4) support and promote gender champions and women leaders; 5) share benefits equitably; and 6) offer opportunities for enterprise development and credit provision.

Specific targets during the implementation of the NRIFAP include:

- Meaningful engagement of women, men and male and female youth is actively promoted in all decision making and other relevant activities;
- Women represent at least 30% of any decision making body, committee, consultation, workshop, etc;
- Ministry of Women and Child Affairs is a member of the RACB;
- Local CSOs promoting gender, youth and women's empowerment are involved in provincial and district level activities;
- Necessary support is provided to build capacities on how to mainstream gender in REDD+ implementation among involved agencies, institutions, networks and federations;
- Gender perspective is built into the design of data collection, monitoring and reporting; and
- Adequate funds are allocated to support the integration of gender and women's empowerment considerations in delivering all of the above targets.

D.4. Needs of recipient *[Vulnerability to climate change and financing needs of the recipients]*	Not applicable to this proposal on REDD+.
D.5. Country ownership	Under the Sri Lanka UN-REDD National Programme, more than 100 national and local stakeholder consultation meetings were organised through various REDD+ related feasibility studies and NRIFAP development process. A detailed list of all stakeholder consultation meetings will be provided in the subsequent proposal package.

UN-REDD (2015), 'Addressing Gender Consideration and Inclusion of Women in the REDD+ Policy Process', Sri Lanka UN-REDD National Programme.

	A strong buy-in and sense of ownership among all stakeholders to achieve the expected outcome of this project is ensured in two ways.
	First, the majority of the PAMs identified are built on the existing and planned activities of relevant national institutions. These institutions have been involved extensively in the design and matching of the PAMs to their existing and planned activities. Given this, there is already a strong sense of ownership of the PAMs among the relevant national institutions. Furthermore, the project will be implemented by the national Implementing Partner with the relevant national institutions/bodies involved in the execution of project activities. This will ensure that both the technical and financial resources made available through the project will directly reinforce and enhance the existing national capacity.
	The outputs on safeguards and stakeholder engagement ensure the necessary conditions in which to enable effective and meaningful stakeholder engagement by all relevant stake/rights-holders to participate in decision-making and quality control of all relevant processes. As described earlier, several stakeholder forums/networks - Sri Lanka Climate and Forest Action Network (SLCFAN – CSO network), REDD+ Academic and Research Forum, Indigenous People (IP) and Private Sector Forums - have been established through the Sri Lanka UN-REDD National Programme to provide coordinated and streamlined policy feedback and to ensure that their stakeholder interests are considered and reflected in all REDD+ relevant decisions. Further, these groups have actively contributed to the various feasibility studies and preparation of the NRIFAP through a series of consultation meetings and technical review processes.
D.6. Effectiveness and efficiency *[Economic and financial soundness and effectiveness of the proposed activities]*	Anticipated total carbon emission reductions will be 9,103,380 tCO_2e over 5 years and 20,996,829 tCO_2e over 10 years. If US$5 per tCO_2e is assumed, these figures would generate roughly US$ 50 million and US$ 100 million in results-based payments over the 5-year and 10-year periods, respectively. This would translate into having a savings of 16% over the 5-year period and 63% over the 10-year period for every tCO_2e of emission reduction achieved through this project for the GCF REDD+ investment (US$ 38 million) in Sri Lanka.
	Approximately 160,000 ha of currently degraded plantation and unmanaged forests will be put under sustainable forest management and restoration schemes. About a 45% reduction in the current annual deforestation rate will be achieved during the project period. The project is expected to make a 56% direct contribution to achieving the 32% forest cover target by 2030.
	Furthermore, enabling PAMs on EIA and SEA will enhance Sri Lanka's overall capacity to manage its land-based activities at the cross-sectoral scale.

E. Brief Rationale for GCF Involvement and Exit Strategy

As the UNFCCC COP decision 9/CP.19 stipulates, the GCF is identified as one of the sources through which financing of REDD+ activities by developing countries is expected to be channelled in a fair and balanced manner. Based on this guidance from the COP, a number of financing options and opportunities for REDD+ investment were considered during the design of the NRIFAP.

Particularly from the study on REDD+ finance, it has been recognised that how REDD+ is being pursued in Sri Lanka resonates well with GCF's vision of REDD+, which frames REDD+ as an impetus to the overall paradigm shift towards low-emission sustainable development. As described in other parts of this document, Sri Lanka sees REDD+ more as a catalyst for such a paradigm shift, and places less emphasis on prospective results-based payments through REDD+.

The GoSL plans to address its drivers of deforestation and forest degradation through improved regulatory measures, and increased supply of fuelwood and timber products, while enhancing the overall effectiveness of its sustainable forest/land management regimes to increase its forest cover and forest carbon stocks across the country. To this end, nearly all the PAMs are built on the existing and planned activities of relevant national institutions. This approach to REDD+ is based on a pragmatic view to the feasibility of REDD+ in Sri Lanka, as

establishing a new law, policy or regulation often requires a lengthily process (often more than 5 years) and introduces a high level of uncertainty. In addition, the approach aims to internalise catalytic effects of REDD+ to ensure strong national ownership and sustainability of the project outcome. By internalising the PAMs into the existing national institutional plans and activities, the integration of non-carbon benefits (e.g. job creation, ecosystem services restoration, and rural economic outputs) into the broader national development context is ensured. The project also supports full and effective stakeholder participation and implements safeguards to deliver REDD+ impacts in a socially and environmentally responsible manner.

However, in order to realise the full effect of the NRIFAP, this baseline investment by the GoSL must leverage external finance to fill the current financial shortfall estimated during the preparation of the NRIFAP. The GoSL thus seeks GCF's financial support to address this shortfall so as to realise its national REDD+ vision, as well as to directly contribute to the global effort on climate change mitigation through REDD+. As described in Section D.4 above, there is a strong economic argument for GCF involvement in this project.

There is a strong national commitment and buy-in among the stakeholders for this project, as a direct result of the 3-year REDD+ readiness process. This is well reflected in the financial commitment provided by the GoSL, and in the highly integrated process proposed in terms of ensuring strong alignment between the project activities and existing and planned activities of the GoSL, guided by the national development priorities and the country's INDC.

From this perspective, there is a strong argument to support the sustainability of the GoSL's baseline investment into the PAMs beyond the life of this project. In addition, once a global facility for results-based payments has become available, there will even be a stronger justification for the GoSL to continue implementing the PAMs, and to maintain the REDD+ monitoring and MRV mechanisms and processes demonstrated through the project, as, although not the main emphasis, results-based payments would be used to further leverage new and additional finance through both internal and external sources. This would allow Sri Lanka to ensure continued and increased investment into managing its forests and forest resources sustainably. In this regard, the project will be a catalyst to continue generating REDD+ and overall transformation impacts beyond its life.

F. Risk Analysis

Please describe the financial and operational risks and discuss mitigating measures.

General Risks

1. **Limited technical and functional capacity among government and non-government institutions/bodies involved in the implementation of theproject**

Mitigation measure: the project ensures that all key government institutions, playing key roles in implementing the project are provided with necessary functional capacity support activities under Output 5. Details of such activities will be derived from the currently on-going institutional capacity assessment under the Sri Lanka UN-REDD National Programme. Outputs 1-3 also have technical capacity development activities built into themselves to ensure this aspect. Meanwhile, Output 4 ensures that those stakeholder networks are provided with necessary capacity development support.

2. **Limited coordination of the institutions involved in the implementation of the PAMs**

Mitigation measure: the project will coordinate and work very closely with the RACB to ensure effective and efficient coordination among all involved institutions and sequencing of activities.

3. **Occurrence of natural disturbances that may impact the permanence of REDD+ activity results**

Mitigation measure: the project will undertake careful monitoring, measurement and reporting of such events. The application of an uncertainty discount rate and a risk buffer to the anticipated emissions reductions and removals is being considered.

4. **Adverse impacts on rights-holders through the implementation of the PAMs**

Mitigation measures: this will be addressed by the nationally-clarified REDD+ safeguards. Building on the earlier assessments on land tenure and grievance redress mechanisms under the Sri Lanka UN-REDD National Programme, the project will ensure that before each PAM is implemented, there will be an appraisal process to assess which rights-holders might be affected, and adequate time and attention is given to consult with those rights-holders by applying the key principles of free, prior, informed consent (FPIC) based on the guidelines developed. The project will also support to ensure effective utilisation and functions of existing grievance redress mechanisms.

Please briefly specify the substantial environmental and social risks that the project/programme may face and the proposed risk mitigating measures.

During the work on REDD+ safeguards and safeguards information system design, a number of risks were identified in relation to the PAMs through multi-stakeholder consultations at national and sub-national levels.

These were categorised into social, environmental and governance categories. Table 5 below shows those identified risks in a high-risk category. Concurrently, the Cancun safeguards were nationally clarified, and relevant existing policies, laws and regulations (PLRs) were then matched against those nationally clarified safeguards to assess to what extent those safeguards were currently being addressed and respected. A full assessment report will be made available in the subsequent proposal package.

In sum, there is a considerable amount of work still required before Sri Lanka's system of PLRs could be considered to properly safeguard potential risks identified below. The majority of recommendations are focused on amendments to the Forest Ordinance, the Flora and Fauna Ordinance, and the National Environmental Act. Table 6 below shows the current status of those nationally clarified safeguards identified in Table 5, as well as recommendations for improvement, which will be followed up through Output 3 of this project.

Table 5: key social, environmental and governance risks and safeguards

Risk	Nationally-clarified Safeguard (alphabetical letters correspond to those of the Cancun Safeguards)
Environmental 1) Displacement of existing land uses to other natural areas 2) Higher risks of pest attacks (teak eucalyptus monocultures) 3) Lack of permanence-higher risk of fires in woodlots and fire prone teak/eucalyptus plantations	• b.6: Effective anti-corruption strategies and design mechanisms specifically for REDD+. • e.12: Ecosystem approach to land use planning. • c.7: Right for compensation and other remedies in event of unavoidable involuntary resettlement and economic displacement. • f&g.3: National level approach to accounting for emission reductions and increases in removals. • e.7: Access to state-of-the-art technology and resources to monitor natural forest areas and biological diversity. • e.8: Mechanism for the development of pest management plans as a method for protecting biodiversity. • f&g.6: Mechanism for undertaking comprehensive risk analysis and mitigation to address direct and indirect drivers of reversals • b.9: Access to recourse to justice and/or dispute resolution to enforce stakeholder rights.
Governance 1) Possible lack of scientific/institutional capacity 2) Non-transparent land ownership rules 3) Lack of access to information/misuse of information 4) Better knowledge of tree type/ science could lead to more illegal felling. 5) Increased regulation of private lands 6) Not following proper resettlement rules as the NIRP is a policy that is not supported by law 7) Lack of resources to the FD/DWLC that will lead to poor/lack of implementation of SFM 8) Lack of expertise/qualified consultants/general labour	• b.1: Effectiveness of law enforcement and compliance • b.13: Access to, and disclosure of, up-to-date, accurate and complete information on forest protection/management. • b.2: Enhanced institutional capacity of relevant institutions at state and local levels for improved forest governance. • b.3: Transparent and accountable decision-making at all levels of government relating to forest activities. • b.4: Effective cross-sectoral coordination and communication to ensure integration of forest and biodiversity conservation. • b.5: Legal recognition of strategic actors in forest management. • b.6: Effective anti-corruption strategies and design mechanisms specifically for REDD+. • b.7: Consultation and participation of national and local stakeholders in decision-making. • b.9: Access to recourse to justice and/or dispute resolution to enforce stakeholder rights. • c.2: Minimized resettlement and disruption/loss of traditional and rural livelihoods of indigenous people and forest-dependent communities. • c.4: Benefit-sharing mechanism arising from use of forest resources. • c.5: Community forest land tenure, land allocation, and demarcation based on customary rights of use. • c.7: Right for compensation and other remedies in event of unavoidable involuntary resettlement and economic displacement.

9) Delay in the process of project approvals 10) Reduced opportunities for other national development projects (infrastructure etc.) 11) Increase budget needed for maintenance of green areas/cost to country	• e.10: Conservation research and awareness-raising. • e.11: Mandatory Strategic Environmental Assessment in land-use planning. • e.12: Ecosystem approach to land use planning. • e.5: Legal frameworks supporting the mapped spatial distribution of natural forests. • e.6: Independent verification of compliance with forest management standards. • e.7: Access to state-of-the-art technology and resources to monitor natural forest areas and biological diversity. • f&g9: Independent verification of compliance with forest management standards
Social 1) Restriction of access 2) Competition for use of land 3) Political/religious/union interference in implementation 4) Difficulties associated with participation, including: (i) Continuity of community participation in the next generation; (ii) dominance of a few community members. 5) Adverse impacts on local culture 6) Impact on export and domestic sales of timber and non-forest products 7) Adverse impacts on livelihoods 8) Discrimination in selection in farmers for woodlots 9) Increased human-wildlife conflict 10) Land fragmentation 11) Leakage possibility/economic displacement 12) Displacement/eviction (including of illegal encroachers) 13) Increase in land demand and land market value 14) Difficulties associated with gaining awareness, acceptance, and motivation 15) Conflict/unrest among stakeholders involved in the implementation of PAMs 16) Possibility of competition between assured & unidentified supply source	• b.10: Gender equality and women's empowerment in forest management, especially with regard to benefit sharing, participation, and land tenure/ownership. • b.13: Access to, and disclosure of, up-to-date, accurate and complete information on forest protection/management. • b.14: Grievance redress mechanisms that can be accessed by individuals in response to breaches of safeguards. • b.2: Enhanced institutional capacity of relevant institutions at state and local levels for improved forest governance. • b.3: Transparent and accountable decision-making at all levels of government relating to forest activities. • b.5: Legal recognition of strategic actors in forest management. • b.6: Effective anti-corruption strategies and design mechanisms specifically for REDD+. • b.7: Consultation and participation of national and local stakeholders in decision-making. • b.9: Access to recourse to justice and/or dispute resolution to enforce stakeholder rights. • c.2: Minimized resettlement and disruption/loss of traditional and rural livelihoods of indigenous people and forest-dependent communities. • c.3: Poverty alleviation through alternative livelihood opportunities and improved social services, to improve the standard of forest dependent communities. • c.4: Benefit-sharing mechanism arising from use of forest resources. • c.5: Community forest land tenure, land allocation, and demarcation based on customary rights of use. • c.7: Right for compensation and other remedies in event of unavoidable involuntary resettlement and economic displacement. • d.1: Meaningful participation of disadvantaged stakeholders in forest management related decision making. • d.2: Private sector participation. • d.5: Reduced human-wildlife conflict. • d.6: Consultation and participation of national and local stakeholders in decision-making. • e.10: Conservation research and awareness-raising. • e.12: Ecosystem approach to land use planning. • e.5: Legal frameworks supporting the mapped spatial distribution of natural forests. • f&g.1: National-level approach to REDD+ planning and implementation. • f&g.3: National level approach to accounting for emission reductions and increases in removals. • f&g.4: Regulations on the responsibilities and procedures for monitoring at national and local levels in order for the national accounting system to be coherent.

Table 5: Current status of relevant nationally clarified safeguards and recommendations for improvement

Cancun Safeguard (b): Transparent, effective forest governance structures, taking into account national legislation and sovereignty
b.1: Effectiveness of Law enforcement and compliance   **Extent of 'address': not addressed /Extent of 'respect': not respected**   Recommendations: More financial and capacity-building resources should be channeled towards forest law enforcement
b.3: Transparent and accountable decision-making at all levels of government relating to forest activities   **Extent of 'address: partial /Extent of 'respect': partial**   Recommendations: (i) Initial Environmental Examination documents under the NEA should be open for public scrutiny. (ii) The Forest Ordinance should be amended to allow public access to information relating to proposed REDD+ actions.
b.4: Effective cross-sectoral coordination and communication to ensure integration of forest and biodiversity conservation   Extent of 'address': partial /Extent of 'respect': not respected   Recommendations: (i) introduction of a Strategic Environmental Assessment article/provision into the National Environmental Act, would require line agencies to undertake cross-sectoral consultation as part of assessing the environmental implications of policies, plans, and programmes. (ii) The next Mahinda Chintana should formally introduce environmental mainstreaming.
b.5: Legal recognition of strategic actors in forest management   **Extent of 'address': full /Extent of 'respect': full**   Recommendations: none required
b.6: Effective anti-corruption strategies and design mechanisms specifically for REDD+   **Extent of 'address': full /Extent of 'respect': not respected**   Recommendations: The Bribery Act, and the Commission to Investigate Allegations of Bribery and Corruption Act, should be amended to allow for prosecutions to take place where corruption is evident in REDD+ initiatives.
b.7: Consultation and participation of national and local stakeholders in decision-making   **Extent of 'address': partial /Extent of 'respect': partial**   Recommendations: (i) The participation provisions of the Forest Ordinance, and of the Flora and Fauna Ordinances should be removed and transferred to a new "Public Participation in Forest Management Ordinance". (ii) Initial Environmental Examination documents under the NEA should be open for public scrutiny. (iii) The prescribed list for impact assessment should be amended to include all and every forest related project proposal.
b.9: Access to recourse to justice and/or dispute resolution to enforce stakeholder rights.   **Extent of 'address: full /Extent of 'respect': full**   Recommendations: It appears that the combination of existing rights in extant law, along with expansive Supreme Court decisions, provides adequate access to formal justice avenues. However, for recommendations related to the need for REDD+ specific grievance mechanisms, see the recommendation against safeguard criterion b13.
b.10: Gender equality and women's empowerment in forest management, especially with regard to benefit sharing, participation, and land tenure/ownership   **Extent of 'address': full /Extent of 'respect': partial**   Recommendations: The Forests Department should develop a gender strategy to ensure that women's concerns are included in forest plans and interventions.
Cancun Safeguard (c): Respect for the knowledge and rights of indigenous peoples and members for local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the UN Declaration on the Rights of Indigenous Peoples
c.2: Minimize resettlement and disruption/loss of traditional and rural livelihoods of indigenous people and forest-dependent communities.   **Extent of 'address': full / Extent of 'respect': partial**   Recommendations: (i) Any significant land acquisition should be subject to EIA under the NEA. Land acquisition should therefore be "prescribed". (ii) The National Involuntary Resettlement Policy should be enshrined within law.
c.3: Poverty alleviation through alternative livelihood opportunities and improved social services, to improve the standard of forest dependent communities.   **Extent of 'address': partial / Extent of 'respect': partial**

Recommendations: The relevant Ministry should adopt a formal "Alternative Livelihood Opportunities for Forest-Dependent Communities" policy.
c.4:   Benefit-sharing mechanism arising from use of forest resources.   **Extent of 'address': partial / Extent of 'respect': partial**   Recommendations: Extensive commitments already exist that allow for benefit-sharing. However, the Forest Ordinance should be amended to include a clear definition of the roles and responsibilities of stakeholders involved in benefit sharing.
c.5:   Community forest land tenure, land allocation, and demarcation based on customary rights of use   **Extent of 'address': not addressed / Extent of 'respect': not respected**   Recommendations: Promised forest access rights for Veddha people should be provided for in law or regulation.
c.7:   Right for compensation and other remedies in event of unavoidable involuntary resettlement and economic displacement.   Extent of 'address': full /Extent of 'respect': not respected   Recommendations: The National Involuntary Resettlement Policy should be enshrined in law.
Cancun Safeguard (d): Full and effective participation of relevant stakeholders, in particular indigenous people and local communities
d.1:   Meaningful participation of disadvantaged stakeholders in forest management related decision making   **Extent of 'address': not addressed / Extent of 'respect': not respected**   Recommendations: The National Involuntary Resettlement Policy should be enshrined in law, and should include articles that specifically mention the participation of disadvantaged stakeholders.
d.2:   Private sector participation   **Extent of 'address: partial / Extent of 'respect': partial**   Recommendations: Private sector participation is already adequately catered for in PLRs.
d.5:   Reduced human-wildlife conflict   **Extent of 'address: partial / Extent of 'respect': not respected**   Recommendations: Resources should be applied to implement the National Policy for the Conservation and Management of Wild Elephants, and the associated National Action Plan
d.6:   Consultation and participation of national and local stakeholders in decision-making   **Extent of 'address': partial / Extent of 'respect': n/a**   Recommendations: (i) The participation provisions of the Forest Ordinance, and of the Flora and Fauna Ordinances should be removed and transferred to a new "Public Participation in Forest Management Ordinance". (ii) Initial Environmental Examination documents under the NEA should be open for public scrutiny. (iii) The prescribed list for impact assessment should be amended to include all and every forest related project proposal.
Cancun Safeguard (e): REDD+ actions are consistent with the conservation of natural forests and biological diversity, ensuring that REDD+ actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits
e.5:   Access to state-of-the-art technology and resources to monitor natural forest areas and biological diversity   **Extent of 'address': not addressed / Extent of 'respect': not respected**   Recommendations: The Forest Ordinance should be amended to include Articles that require the monitoring of all REDD+ initiatives using state-of-the-art technology, to ensure that they meet required objectives. The amended Articles should establish a National Forest Monitoring System.
e.6:   Development of pest management plans as a method for protecting biodiversity   **Extent of 'address: not addressed / Extent of 'respect': not respected**   Recommendations: National Agricultural Policy should be revised to include requirements for the regular production and updating of pest management plans.
e.7:   Integrating the economic value of ecological, biological, climatic, and socio-cultural benefits of forest resources in decision making   **Extent of 'address': not addressed / Extent of 'respect': not respected**   Recommendations: The National Environmental Act should be amended to allow for the implementation of the concept of 'payment for ecosystems services'.
e.8:   Conservation research and awareness-raising   **Extent of 'address': partial / Extent of 'respect': partial**   Recommendations: TBD
e.10:   Ecosystem approach to land use planning   **Extent of 'address': not addressed / Extent of 'respect': not respected**

Recommendations: The concept of environmental zoning should be introduced to land use planning through amendments to the Town and Country Planning Ordinance.
e.11: **Effective cross-sectoral coordination and communication to ensure integration of forest and biodiversity conservation (already covered at b4)**
e.12: **National and local level monitoring of deforestation**
Extent of 'address: not addressed / Extent of 'respect': not respected
Recommendations: The Forest Ordinance should be amended to include Articles that require the monitoring of all REDD+ initiatives using state-of-the-art technology, to ensure that they meet required objectives. The amended Articles should establish a National Forest Monitoring System.
Cancun Safeguards (f and g): Address the risk of reversals and displacement of emissions in REDD+ programs
f&g.3: National level approach to accounting for emission reductions and increases in removals
Extent of 'address': not addressed / Extent of 'respect': not respected
Recommendations: The relevant Ministry should establish a national-level approach to accounting for emission reductions and increases in removals. This will need to be integrated with a new National Forest Monitoring System. See recommendations for safeguards e2 and e12.
f&g.6: Mechanism for undertaking comprehensive risk analysis and mitigation to address direct and indirect drivers of reversals/displacements
Extent of 'address': not addressed / Extent of 'respect': not respected
Recommendations: Comprehensive risk analysis should be part of environmental impact assessment of proposed forest-related projects. This can only take place if all and every forest-related project proposal is included on the 'prescribed list' for impact assessment under the National Environmental Act.
f&g 9: Independent verification of compliance with forest management standards (covered by e3)

G. Multi-Stakeholder Engagement

Please specify the plan for multi-stakeholder engagement, and what has been done so far in this regard.

As described earlier under the section on progress on Sri Lanka's REDD+ readiness, extensive support activities to ensure multi-stakeholder engagement through the development of the NRIFAP, FRLs, NFMS, SIS and institutional arrangements have been conducted throughout the implementation of the Sri Lanka UN-REDD National Programme. Records of consultation under each design element during the REDD+ readiness process will be included in the subsequent proposal package.

Output 4 of this proposed project is especially designed to continue supporting the full and effective stakeholder engagement through the implementation of the NRIFAP.

H. Status of Project/Programme

Please provide the report in section J.

1) NRIFAP nearly completed and expected to be officially adopted by March 2017.

2) Please indicate whether a feasibility study and/or environmental and social impact assessment has been conducted for the proposed project/programme: Yes O (currently under preparation based on pre-feasibility studies completed under the Sri Lanka UN-REDD National Programme) No ☐
(*If 'Yes', please provide them in section J.*)

3) Will the proposed project/programme be developed as an extension of a previous project (e.g. subsequent phase), or based on a previous project/programme (e.g. scale up or replication)? Yes O No ☐
(*If yes, please provide an evaluation report of the previous project in section J, if available.*)
Sri Lanka Programme (currently under implementation till mid-2017)

I. Remarks

J. Supporting Documents for Concept Note

☐ Map indicating the location of the project/programme - Nationwide

☐ Financial Model

O Pre-feasibility Study (Annex 1 & 2) (a list of completed pre-feasibility studies with hyper links provided below:

Since 2013, the Sri Lanka UN-REDD National Programme has supported the Government of Sri Lanka in conducting the following list of REDD+ feasibility studies and throughout the studies, numerous stakeholder consultations and validation meetings were held to solicit inputs from a range of state and non-state stakeholders, and to validate findings and recommendations of those studies.

Completed studies and reports
(Available at www.redd.lk/web/index.php?lang=en under Library or clicking on the hyperlinks below)

- Drivers of Deforestation and Forest Degradation in Sri Lanka: Assessment of Key Policies and Measures
- Sri Lanka's REDD+ Vision and Roadmap to REDD+ Implementation in Sri Lanka
- Prioritization of REDD+ Policies and Measures
- National Forest Monitoring Systems for Sri Lanka (report not yet finalised)
- Roadmap for Establishing Sri Lanka's Forest Reference Emission Level/Forest Reference Level (report not yet finalised)
- Private Sector Engagement Plan for REDD+ in Sri Lanka
- Assessment of Land Tenure Considerations in Sri Lanka's Proposed National REDD+ Strategy
- Design of a Financial Mechanism for the Management of REDD+ Funding in Sri Lanka
- Review of Consultation and Participation Process and Response Mechanisms
- Study on Women's Inclusion in REDD+ in Sri Lanka
- Design of Sri Lanka's National Approach to REDD+ Safeguards (including an assessment of risks/benefits in relation to the proposed REDD+ policies and measures) (report not yet finalised)
- Assessment of Laws, Policies and Regulations Relevant to REDD+ Policies and Measures in Sri Lanka
- Community-based REDD+ (CBR+) Country Plan for Sri Lanka
- Civil Society-led Study on Non-Carbon Benefits of REDD+ in Sri Lanka (report not yet finalised)

On-going Studies
- Capacity Assessment for National Institutions in Implementing the Warsaw Framework and PAMs (Completion by October 2016)
- Socio-economic Impact Analysis of PAMs in Sri Lanka (Completion by October 2016)
- Assessment of National Circumstances for adjustment to Forest Reference Level (Completion by September 2016)
- Drafting and submission of national Forest Reference Level (by January 2017)
- Design of National Forest Inventory (Completion by April 2017)

☐ Feasibility Study (if applicable)

☐ Environmental and Social Impact Assessment (if applicable) – in relation to the Cancun Safeguards

☐ Evaluation Report (if applicable) (Annex 3)