STAP SCREENING TEMPLATE

GEF ID	11210
Project title	Sustainable Wool and Mohair Value chain Competitiveness project (WaMCoP)
Date of screen	January 26, 2024
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1. **Summary of STAP's views of the project**

STAP acknowledges Lesotho's project, "Sustainable wool and value chain competitiveness". The project aims to achieve multiple benefits on biodiversity conservation and climate change mitigation, while improving land management and restoring ecosystems. Investments in green value chains on wool and mohair are expected to help achieve GEBs and improve livelihoods.

Lesotho is categorized as highly vulnerable to climate change. Increased water scarcity, drought, and desertification are impacting livestock, crops, and communities. The project rationale and systems analysis describe minimally the underlying drivers (or 'root causes'), such as population growth, demand, and economic changes, despite these sections being lengthy and repetitive (the proforma requests 3-5pp). STAP strongly encourages the project team to design with resilience in mind, so the interventions are robust to climate risks and other possible drivers. Currently, climate risks are absent from the project logic, as are other drivers.

To improve herders' lives while improving biodiversity conservation and sustainable land and rangeland management, the project plans to financially incentivize herders and other land users through loans. While STAP supports these incentives, it strongly encourages a comprehensive elaboration of the value chain pathway. Testing assumptions throughout the value chain pathway will be important to learn, scale and innovate. Scaling for innovation purposes – whether it is aimed at adopting technologies for improved production of wool and mohair, shifting levers of change associated with norms and values, or replicating sustainable land/rangeland practices, learning and knowledge – is key to achieving the project's transformative ambition.

Below, STAP details its advice.

Note to STAP screeners: a summary of STAP's view of the project (not of the project itself), covering both strengths and weaknesses.

STAP's assessment*

- ☐ Concur - STAP acknowledges that the concept has scientific and technical merit
- ☐ X Minor - STAP has identified some scientific and technical points to be addressed in project design
- ☐ Major - STAP has identified significant concerns to be addressed in project design

Please contact the STAP Secretariat if you would like to discuss.

2. **Project rationale, and project description – are they sound?**

See annex on STAP's screening guidelines.

The project rationale offers a clear, but unnecessarily lengthy, description of the problem, along with a description of the barriers contributing to land degradation, biodiversity loss, and several co-benefits, including food security and increased incomes. The impacts of climate change on Lesotho are also articulated, although a more succinct description would help focus attention on the key issues (the remainder could stay in the climate risk screening). Less information, or none at all, is provided on other key drivers of change, including changes in population that may ultimately be driving the overall pressures for land degradation, or a brief outlook on its

economy, which could bring changes (positive, negative) to wool and mohair markets. A quick analysis of how the key drivers of change (e.g. climate change, population changes, and fluctuating economy) may impact the targeted socioecological systems, would strengthen the rationale.

Similar to the project rationale, the project description needs to be written more concisely (e.g. the three plans farmers must have, and associated text, are duplicated verbatim at least 4 times "Farmers will need two plans: one for animal health and welfare and another for land management, soil health, and biodiversity. They will also have a compliance plan in place at the shearing shed." Para on ACE stoves duplicated p.33-4). This includes describing the project logic in a joined-up, and pithy, manner that demonstrates how the various components, and their pathways, will contribute to key outcomes and to the project objective. At the moment, the logic is dispersed across nearly twenty pages.

More substantively, although some assumptions on which the project are based are listed on p.29, these are mainly either drivers which should be integrated into design ("no external shocks, stable prices" – these are basically likely to happen, so the project should be designed to be robust to them, see above), or project design issues ("project is carried out as planned"). There are far more profound assumptions in the logic that are genuine plausible but unproven causal links. These assumptions include "certification induces farmers to adopt", whilst others appear unidentified elsewhere in the proposal (e.g. on p.28 "…intervention should result in behavioral changes…", p.29 "Youth are expected to benefit dis[proportionately…" or p.33 "…will help stimulate demand for Lesothos' wool & mohair" or p.34 "…plans…combined with carbon accounting system…will result in higher quality wool and mohair…", p.36 "output that will attract premium prices and generate higher incomes without adversely affecting the environment", p.38 "…intervention will result in improved yield per animal…"). Such plausible, but uncertain, logical links are the ones that should be listed as critical assumptions, and then a monitoring and learning process should be linked to them so that the project can find out quickly if they are not delivering what is expected and adjust the project if not.

The components are only likely to support achieving GEBs with good monitoring, learning, and knowledge management. To this effect, STAP is pleased that component 3 will focus on these aspects. Learning and knowledge management will be important to achieving this project's transformative ambition.

Below, STAP provides further details on how to strengthen the project.

Note: provide a general appraisal, asking whether relevant screening guideline questions have been addressed adequately – not all the questions will be relevant to all proposals; no need to comment on every question, only those needing more attention, noting any done very well, but ensure that all are considered. Comments should be helpful, evaluative, and qualitative, rather than yes/no.

3. Specific points to be addressed, and suggestions

STAP recommends addressing the following issues during the design of the project to strengthen it technically, and improve its ability to generate lasting GEBs:

- As the PIF states, Lesotho is considered as one of the most vulnerable countries to climate change. An increase trend in average temperatures is reducing water availability for agricultural and livestock systems, and increasing the vulnerability of the population. Drought and desertification are not uncommon events in Lesotho. Thus, when climate risks are discussed in the risk table (p.54), these are not risks but essentially *certain* future changes. Even with some uncertainty, they should be designed *for* (including as mentioned by using climate smart agriculture approaches), not managed as an afterthought. These risks should appear in the description, and the risk table should focus on implementation risks from events like drought during the project lifetime. Hence, STAP strongly recommends explicitly identifying climate change as a driver and designing the activities in the theory of change with resilience in mind. STAP urges, therefore, the use of a climate screening tool at the

design phase to evaluate current, and future risks to climate. An example of a screening tool is the World Bank's, which STAP recommends: https://climatescreeningtools.worldbank.org/ Otherwise, IFAD could use a tool of its own.

- Additionally, STAP recommends developing simple future narratives to help think broadly how climate risks, as well as other key drivers of change (e.g., population changes and market dynamics) can affect the project activities. Future planning is essential to maintain resilience, and to ensure that the project does not focus on interventions that prove to be ultimately maladaptive to the future. STAP's advice on simple future narratives can be accessed here: https://stapgef.org/index.php/resources/advisory-documents/simple-future-narratives-brief-and-primer

- In developing a deeper analysis of 'root causes' (or underlying drivers), it should be recognized that most of the items listed under this at present (p.12) are in fact symptoms, not root causes. For each of these, please ask "why is this happening??" What is driving loss of arable land (p.12), why are people hungry (p.13), why are women particularly affected by loss of biodiversity (p.14), why is overgrazing happening (p.14)?

- Linked to this, there could be a deeper analysis of why existing activities have not already solved these problems, especially around the barriers (e.g.p.20, barrier 4 – why did these past efforts fail and why will this one do better?) , and what other social drivers may be going on – for example (perhaps not salient), why has there been a split in farmer organizations and more non-associated farmers (p.19), does it matter for achieving these outcomes (if not, why mention it?), and, if so, how will the project deal with the underlying cause of the split (or can you just work around it)?

- It's good to see the intent for local engagement (e.g. p.23 para 3), yet a culling program seems to have already been decided on. This may well be necessary but on face value does not sound very participatory.

- STAP recognizes the project aims to achieve multiple GEBs on biodiversity conservation, climate change mitigation, and from sustainable land and livestock management. To support the project rationale, monitoring and assessment of GEBs, STAP suggests:

  o Describing the biodiversity the project will help conserve in each project site. STAP acknowledges the type of biodiversity has not yet been described because the project sites have not been selected, but please indicate the intent to develop further details.
  o Considering using Lesotho's Third National Communication to the UNFCCC to complement the climate information in the PIF. For example, the Third National Communication relies on IPCC's 2006 GHG emission guidelines to quantify emissions from the AFOLU. The resource in the PIF uses IPCC's 1996 emission guidelines. https://unfccc.int/sites/default/files/resource/NAI_NC3.pdf
  o Using Lesotho's Third National Communication, suggest drawing from its quick assessment of climate change impacts on livestock in Lesotho, which includes sheep and goats (see Table 4.9, page 159) to design livestock and land management practices (component 2).

- On the project logic, STAP recommends addressing these points in the project description and theory of change:
  o The three components and (sub)outcomes are interrelated based on their description in the PIF. These relationships should be made explicit in the theory of change figure if possible and anyway in the narrative of the project logic. For example, setting up an enabling environment - which includes policy coherence, systems to monitor carbon accounting and biodiversity, as well as setting up financial incentives for value chains - is linked intricately to defining

appropriately the wool and mohair value chains in component 2. Generating knowledge and learning along the value chain pathway ought to then contribute to component 3.

- o All the impact pathways ought to define 2-3 critical assumptions related to the key outcomes (some possible examples were given above). This will be particularly necessary for the value chain pathway, component 2, as it is based on a novel financing model characterized by assumptions and possible risks in scaling for innovation/scaling for replication that will require learning, and potential adaptive project management to achieve GEBs on biodiversity, climate change mitigation, and sustainable land management, and co-benefits on increased income. Component 3 is meant to capture adaptive learning, including behavioral change – the latter is related to deep levers of change, change of values and motivations, which are based on scaling, and should be made explicit.
- o Consider developing a sub-component under component 2, with a clear articulated pathway, describing how the trust fund will function and be sustained, and how the payment for ecosystem services instrument will be structured. The pathway should identify assumptions and risks, such as financial risks to the beneficiaries, assumptions that beneficiaries will be connected to certified markets so GEBs can be generated, among other risks and assumptions that will need to be addressed to achieve sustainable rangeland management via financial incentives. Developing a sub-component about the trust fund/payment for ecosystem services would also add clarity how the carbon accounting system will function and who are the actors involved throughout the pathway – e.g., how women's adoption of cooking stoves is linked to the carbon accounting system for the value chain.
- o The theory of change figure is slightly confusing without the component titles. Please add this information.

- It is good to see the gender analysis (p.45), but if women are most of the agricultural labor force, why are they only 50% of the beneficiaries? Revisit this reasoning, and amend text accordingly.

Note: number key points clearly and provide useful information or suggestions, including key literature where relevant.
Completed screens should be no more than two or three pages in length.

ANNEX: STAP'S SCREENING GUIDELINES

1. How well does the proposal explain the problem and issues to be addressed in the context of the **system** within which the problem sits and its drivers (e.g. population growth, economic development, climate change, sociocultural and political factors, and technological changes), including how the various components of the system interact?

2. Does the project indicate how **uncertain futures** could unfold (e.g. using simple **narratives)**, based on an understanding of the trends and interactions between the key elements of the system and its drivers?

3. Does the project describe the **baseline** problem and how it may evolve in the future in the absence of the project; and then identify the outcomes that the project seeks to achieve, how these outcomes will change the baseline, and what the key **barriers** and **enablers** are to achieving those outcomes?

4. Are the project's **objectives** well formulated and justified in relation to this system context? Is there a convincing explanation as to **why this particular project** has been selected in preference to other options, in the light of how the future may unfold?

5. How well does the **theory of change** provide an "explicit account of how and why the proposed interventions would achieve their intended outcomes and goal, based on outlining a set of key causal pathways arising from the activities and outputs of the interventions and the assumptions underlying these causal connections".

   - Does the project logic show how the project would ensure that expected outcomes are **enduring** and resilient to possible future changes identified in question 2 above, and to the effects of any conflicting policies (see question 9 below).
   - Is the theory of change grounded on a solid scientific foundation, and is it aligned with current scientific knowledge?
   - Does it explicitly consider how any necessary **institutional and behavioral** changes are to be achieved?
   - Does the theory of change diagram convincingly show the overall project logic, including causal pathways and outcomes?

6. Are the project **components** (interventions and activities) identified in the theory of change each described in sufficient detail to discern the main thrust and basis (including scientific) of the proposed solutions, how they address the problem, their justification as a robust solution, and the critical assumptions and risks to achieving them?

7. How likely is the project to generate global environmental benefits which would not have accrued without the GEF project (**additionality**)?

8. Does the project convincingly identify the relevant **stakeholders**, and their anticipated roles and responsibilities? is there an adequate explanation of how stakeholders will contribute to the

development and implementation of the project, and how they will benefit from the project to ensure enduring global environmental benefits, e.g. through co-benefits?

9. Does the description adequately explain:

    -   how the project will build on prior investments and complement current investments, both GEF and non-GEF,
    -   how the project incorporates **lessons learned** from previous projects in the country and region, and more widely from projects addressing similar issues elsewhere; and
    -   how country policies that are contradictory to the intended outcomes of the project (identified in section C) will be addressed (**policy coherence**)?

10. How adequate is the project's approach to generating, managing and exchanging **knowledge**, and how will lessons learned be captured for adaptive management and for the benefit of future projects?

11. Innovation and transformation:
    -   If the project is intended to be **innovative:** to what degree is it innovative, how will this ambition be achieved, how will barriers and enablers be addressed, and how might scaling be achieved?
    -   If the project is intended to be **transformative:** how well do the project's objectives contribute to transformative change, and are they sufficient to contribute to enduring, transformational change at a sufficient scale to deliver a step improvement in one or more GEBs? Is the proposed logic to achieve the goal credible, addressing necessary changes in institutions, social or cultural norms? Are barriers and enablers to scaling be addressed? And how will enduring scaling be achieved?

12. Have **risks** to the project design and implementation been identified appropriately in the risk table in section B, and have suitable mitigation measures been incorporated? (NB: risks to the durability of project outcomes from future changes in drivers should have been reflected in the theory of change and in project design, not in this table.)