

REVISED STAP SCREENING TEMPLATE, OCTOBER 2022

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| GEF ID | 11047 |
| Project title | Accelerate Minamata Convention compliance through improved understanding and control of mercury trade in Latin America |
| Date of screen | 7 November 2022 |
| STAP Panel Member | Miriam Diamond |
| STAP Secretariat | Sunday Leonard |

1. Summary of STAP's views of the project

The project seeks “to accelerate Minamata Convention compliance through a better understanding of mercury trade trends in Latin America (Bolivia, Colombia, Ecuador, Honduras, Mexico, and Peru) and promotion of regional cooperation towards an improved control of major mercury flows.” It aims to achieve this through coordinated arrangements for assessing mercury trading issues, preparing legal instruments of mercury trade and control, and regional cooperation on mercury trade and sustainability.

The project is essential for achieving the Minamata goals, given the magnitude of illegal Hg trade, mainly to fulfill the demand of ASGM. It proposes a regional cooperation model to stem Hg trade and transfers between countries, provide a coordinated response to avoid trade through the weakest link, and improve success by sharing “lessons learned.”

The logic of achieving the project objective, however, needs strengthening. The project focuses on Hg trade (supply side) but not on using alternatives (demand side). Outcomes are unlikely to be achieved unless the demand side is addressed. The proposal is missing an analysis of the likelihood of the potential for the proposed measures to be successful, e.g., based on lessons learned with “conflict diamonds” or “conflict minerals.”

STAP believes that the proposal needs to be significantly improved to ensure the project can deliver its objectives. Please see sections 2 and 3 for more information.

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 proposal used the UNEP's Report on Illegal trade of Hg as the basis and rationale for the project and approach, which is good. While the barriers to reducing mercury trade were described, the proposal does not adequately present the broader drivers of change that facilitate mercury trade (including illegal trade and use). What economic, social, demographic, and technological factors facilitate mercury use? For example, what supply and demand conditions enable illicit activities? It is essential to identify these and the interactions between them to understand the broad system and the best and logical leverage point in the system to target for intervention. A comprehensive systems thinking analysis is required to understand the issues and create effective interventions.

- The proposal did not address uncertain futures, which could be because the drivers of change were not considered, e.g., a substantial increase in the price of gold that will further drive demand for Hg used in ASGM, undermining actions taken to limit Hg use in ASGM.
- The problem baseline problem was explained using UNEP Report, which is comprehensive and provides a strong analysis. The proposal also presents relevant baseline projects and builds on prior investments but does not adequately reflect lessons learned. Barriers were discussed in terms of the problem of illegal trade, but barriers and enablers to achieving the goals were not addressed.
- The desired outcomes are described through well-defined objectives and in relation to the problem. The need for the project is convincing.
- The proposal presents some narratives supporting the theory of change (ToC) diagram. But the ToC needs significant improvements by starting at a more comprehensive level within the supply and demand of Hg used in ASGM and including the interventions/activities that will lead to the desired outputs, outcomes, and long-term impacts. Not all assumptions in the ToC were thoroughly analyzed. For example, ToC assumed that knowledge produced on existing Hg supply sources, flows, and preparation of legal instruments (strategies and regulations) would ultimately achieve the goal of protecting human and ecosystem health by, presumably, restricting illegal flows of Hg. ToC doesn't explain that connection nor how the proposed activities will strengthen the capacity needed to improve Hg trade controls. Assumptions focus on the "willingness and intention of support rather than capacity, e.g., willingness to draft new laws, willingness to adopt new regulations, stakeholders willingness to participate & cooperate in the regional network, but not on the capacity for implementation and enforcement. Is there the capacity to translate a better understanding of the issues into positive actions?
- Also, the ToC does not appear to build on past experiences, as mentioned above, e.g., conflict minerals and steps taken to reduce their trade; and does not address the possible unintended consequences that are likely to arise as illegal trade is thwarted – what will happen to the "unemployed" brokers? This is fundamental for the durability of the project outcomes. Also, the project risks funding additional bureaucracy that may not necessarily control illegal trade. All of these need to be considered in the ToC.
- Further on the ToC, there seems to be a mix-up of what drivers are. The items labeled as drivers are another set of assumptions. Drivers are supposed to be the social, demographic, technological, economic, and other factors driving the issue that the project seeks to address. For example, the price and demand for gold could drive mercury trade. This aspect needs to be addressed in the ToC.
- Stakeholders are numerous and use existing networks, which is positive. But it is essential to have a clear engagement strategy, and their roles need to be incorporated into the project rationale and description. Gender also was not incorporated into the project rationale and description; instead, a long narrative on gender was presented in section D of the PIF.
- Component 2 intends to draft legal instruments in all countries but does not describe what will be done to ensure that the draft legal instrument will be enacted, implemented, and enforced. Furthermore, the proposal is silent on how policy coherence will be addressed. For each country, it is essential to assess supportive and antagonistic policies across different economic sectors to ensure alignment with the proposed new legal instrument. Policy coherence could also be improved by considering supply and demand simultaneously, the benefits of capturing more taxes, etc. if illegal trade was curtailed.
- Knowledge management is considered by using the Andean Observatory.
- The GEB from the project is estimated as 176 metric tons Hg reduced. Fifty-nine tonnes will be reduced through lower production & consumption, but the project isn't directly dealing with production & consumption but rather the tracking of flows. The GEBs would mainly be indirect since the project interventions focus on improving the use of prior consent forms on trade, tracking and monitoring of legal trade within the region, phasing out primary mining in Mexico, and usage in the ASGM sector, without any direct interventions. Hence, the estimates of GEBs and the assumptions behind the estimates need to be more explicitly described.

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

Based on the issues raised above, STAP recommends that the following should be addressed:

1. Develop a more comprehensive ToC that addresses the points described in Section 2. The ToC should:
 - a. Consider the drivers of change and their interactions as a system, including the supply-demand of gold from AGSM. The ToC should consider various actors and their interactions, such as illegal brokers, bureaucracies that can propose and adopt regulations, the actors needed to enforce laws, etc. The analysis should uncover whether dealing with supply only, through illegal trade, is likely to achieve stated goals.
 - b. Consider how future trends in identified drivers could influence the project objective.
 - c. Incorporate the interventions/activities that will lead to achieving the project's objectives and clarify the difference between assumptions and drivers in the ToC.
 - d. Revise assumptions focused on "willingness" to make them concentrate on the capacity for meaningful implementation.
 - e. Consider all stakeholders and incorporate gender considerations.
 - f. Consider the possible unintended consequences likely to arise as illegal trade is thwarted – what will happen to the "unemployed" brokers.To guide, we refer the proponent to [STAP's theory of change primer](#).
2. Revise component 2 on legal instruments to detail how it would be ensured that the legal instruments would be enacted, implemented, and enforced. Also, address how policy coherence will be ensured in the countries and across the region.
3. Build on past experiences learned from efforts to stem illegal trade in, for example, conflict minerals (e.g., the rise in illegal coltan trade after regulations were implemented to increase the transparency of supply chains).
4. Consider the role played by high-income countries. Do these countries drive demand for gold, regardless of its provenance? Should activities involve high-income countries as was done with conflict minerals (not necessarily successfully)?
5. The project should better include participation with ASGM mining communities, who are, presumably, the beneficiaries of reducing illegal trade (through the use of alternatives).
6. Explicitly consider populations vulnerable to the "unintended consequences" of targeting illegal Hg brokers. Is increased violence possible if the brokers are pushed out of the Hg trade? Can the project work with illegal traders to transition them into the legal economy?
7. Further refine the GEBs and describe the underlying assumptions used in estimating the GEB. Also, add information on interim and final measurable and narrative metrics that indicate progress toward achieving goals.
8. Analyze risks, including environmental and social, and present risk mitigation measures. For example, what about displaced "brokers" involved in illegal trade – what happens to them and the potential risk they present? What mitigation measure would be put in place?

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.

*categories under review, subject to future revision

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.)