REVISED STAP SCREENING TEMPLATE

GEF ID	**11112**
Project title	**Global opportunities for the long-term development of the artisanal and small-scale gold mining sector in Paraguqy – planetGOLD Paraguay**
Date of screen	**13 June 2023**
STAP Panel Member	**Miriam Diamond**
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1. **Summary of STAP's views of the project**

The project seeks to reduce the use and release of mercury in ASGM activities occurring in Paso Yobai municipality of Paraguay. The project aims to achieve this by formalizing ASGM mining activities (which comes with attendant co-benefits such as bringing the sector under the purvey of health and safety provisions), increasing access to financing and capacity to transition from the use of mercury to non-mercury amalgamation technologies, and knowledge management.

The project aligns with Minamata's goals, where Paraguay is a Party to the Convention. Many project components address the identified barriers and take a multi-pronged approach to regulatory and financing initiatives.

The enablers behind the project require better description, and the assumptions listed in the theory of change (which are helpful and comprehensive) need to be better tied to the ToC components (activities, outcomes). The project could better describe how lessons learned from planetGOLD and as this project unfolds, can be identified, analyzed, and, if appropriate, adopted. The proposal should consider how the activities could be undermined by illegal activities that plague ASGM – what will happen to the gold traders who profit from selling mercury?

STAP's assessment*

  Concur - STAP acknowledges that the concept has scientific and technical merit
✓ **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.

1. System – ASGM mining constitutes about 0.1% of Paraguay's GDP. ASGM directly employs about 2-4,000 people in one area traditionally supported by less lucrative and less dependable (because of climate change) agriculture and ranching. The proposal describes the situation in terms of ASGM miners, regulatory environment, potential conflicts among land users in the area, and involvement of illegal and questionable practices.

2. Uncertain futures. The proposal did not adequately discuss future trends in the sector and how drivers of change could affect the project. Drivers such as changes in the price of gold, the issue of "porous borders" for the illegal trade of mercury, conflicts between land use for ASGM vs. agriculture and ranching, and climate

change impacts are essential to be considered. E.g., can changes in financial liquidity affect intentions of financing?

3. Baseline and barriers are well characterized, but enablers need to be better identified and explained.

4. Project objectives are described. The proposal presents a sound justification that this project extends ongoing planetGOLD projects, including mention of lessons learned from other projects but also need to be specific on how lessons learned will be applied.

5. Theory of Change (ToC) has significant weaknesses:
- Assumptions – comprehensive and well explained but not tied to the rest of ToC. The assumptions need to be connected to specific causal pathways.
- Consequent to the above, the causal pathways are weak
- Barriers and enablers are missing
- Drivers – those listed are enabling elements and components. Drivers are the social, demographic, technological, economic, and other factors influencing the issues that the project seeks to address. For example, the price and demand for gold could drive mercury trade, conflict between land uses for ASGM vs agriculture and ranching that is affected by climate change.
- Unclear how JA/LA steps (p17) will be implemented as these steps are not included in ToC

Enduring change, including behavioral change, is implicit in activities such as modifying the regulatory framework, including the goal of formalizing the sector and developing a Land Management Plan to address competing uses and stakeholders, providing access to financing, supporting a pilot scale adoption of non-mercury technologies with anticipation of scaling up, "train the trainers," and knowledge management and communication component.

6. Components well described with some exceptions:
- Component 2: How will promoting more transparent supply chains be achieved?
- Component 4: It would be helpful to provide more consideration of which communication tools are most effective.

7. GEBs – The proposal indicates GEBs across core indicators 4, 9, and 11 and also provides some explanation but still requires more clarity on how the GEBs were estimated. For example, for core indicator 4 (area of the land landscape under improved practices, the total surface area of Paso Yobai municipality is 64,400, yet the expected size of landscapes under improved practices is precisely the same. Is gold mining happening in every neighborhood in Paso Yobai or some parts of the municipality? If the latter, then the GEB is inaccurate and needs to be revised to capture only the area under bad environmental practices. Also, core indicator 9, what is the basis for the 0.125 tons per year that the project is expected to achieve? Further, what does the "program replication factor" (used in estimating 1.5 tons mercury emission reduction) mean, and how was it determined?

The project will generate co-benefits, such as an improved socio-economic situation for ASGM miners and reduced land-based sources of pollution of freshwater (p28).

8. Discussion and listing of stakeholders needs to be clarified (e.g., mentioning different stakeholders in the proposal vs. the table on p35). Most discussion on stakeholders refers to government agencies, large-scale mining companies, NGO Alliance for Responsible Mining out of Colombia. Did not see representation from vulnerable groups (perhaps Artisanal Miners Associations?), Indigenous Peoples. However, the proposal discusses engaging with Indigenous peoples in the PPG phase. Indigenous peoples' involvement should be better defined throughout the project. The summary table (p35) lists academia but unclear how or why they will be involved. The summary table does not include Indigenous peoples

9. Project builds on planetGOLD, now entering its 2nd phase, supports obligations under Minamata Convention to which Paraguay is a party. Lack of policy coherence is described as a barrier, with Component 1 aiming to redress the lack of coherence. The proposal mentions that "no country policies that might contradict …the expected outcomes of the planetGOLD Paraguay project were identified" (p28)

10. Component 4 on knowledge management strategy could be improved by describing how lessons will be learned, evaluated, and turned into recommended practices.

11. Project does not stand out as innovative as it is implementing the planetGOLD approach. The project could improve by explaining how "best practices" were derived from other planetGOLD projects to arrive at activities and expected outcomes in this project.

The project is intended to be transformative for the ASGM sector in Paraguay, with anticipated enduring change in ASGM activities. Difficult to judge the extent to which the ASGM sector can be converted to mercury-free technologies. The project addresses barriers but is short on enablers for scale-up.

12. Risks have been described except for risks from illegal activities that could undermine the project.

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 should:
    i. Clarify what drivers of change are and consider their interactions as a system, including the land-use conflict, difficulties of bringing vulnerable populations into the formal mining sector, and consequences of shutting out gold traders that benefit financially from selling mercury.
    ii. Consider how future trends in identified drivers could influence the project objective.
    iii. Relate how assumptions can influence the outcome of proposed activities and outcomes.
    iv. Consistently consider all stakeholders, including Indigenous peoples.
    v. Consider the possible unintended consequences likely to arise as illegal trade in mercury is curtailed.

2. Revise descriptions of:
    i. Component 3: Better describe the engagement of "other" stakeholders, notably mercury providers and processing systems owners, who are briefly mentioned
    ii. Component 4: Identify and use the most effective communication tools

3. Explain how best practices applicable to this project will be taken from planetGOLD and how learning and evaluation will occur throughout the project, with outcomes subject to KM activities.

4. Provide more clarity on how GEBs were estimated, including the basis and assumptions.
5. Also, put in place provisions to track, measure and report local environmental and socioeconomic co-benefits that could accrue from the project. Please see STAP's recent paper on incorporating co-benefits in GEF's investments for guidance.

*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.)