STAP Screen 11566

GEF ID	11566
Project title	Programme for innovation in climate adaptation and resilience building solutions (PARS)
Date of screen	3 June 2024
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1. Summary of STAP's views of the project

STAP acknowledges the program entitled "Programme for innovation in climate adaptation and resilience building solutions (PARS)." The objective of this program is to "reduce climate vulnerability and enhance resilience of vulnerable communities to climate change by promoting innovation, facilitating technology transfer and deploying adaptation and resilience building solutions at scale." If aims to work through micro, small and medium enterprises (MSMEs) in several African countries (Malawi, Lesotho, Ethiopia and Somalia) with a focus on the water, energy, food and agriculture sectors.

Overall STAP finds that this program makes a strong case for why focusing on MSME's is important to support climate adaptation efforts. Private sector finance for climate adaptation is known to be challenging and this will likely be the case for the four countries targeted by this program, particularly given instances of political instability and conflict. Because this program serves as the umbrella for several projects, it will need to have a clear focus on the knowledge management and learning component, including how the proposed platform will connect with other existing data hubs, etc. to ensure that this is an integrated program, as opposed to four, loosely connected, individual projects with a similar focus.

STAP provides additional observations and recommendations below.

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.

- This is a large project being proposed for implementation across a diverse set of contexts. STAP appreciates that the point of engaging with MSMEs is to leverage their local knowledge and expertise within their contexts and thus stimulate the development of locally-appropriate interventions and actions. What is not clear, however, is why this is a program proposal as opposed to four separate country-level projects, as each country is diverse and therefore would benefit from the local specificity entrepreneurial knowledge in the development of adaptation interventions. Presumably this information will be included in separate child project concept notes? Regardless, what is the benefit of an overarching program for 4 countries? Is it to share lessons learned between them? To test different approaches that could be replicated elsewhere

and/or scaled up? If so, interventions should be designed in parallel to test their relative efficacy and the knowledge management platform should be geared towards this objective and a greater emphasis on south-south cooperation. See latest STAP document on A Workshop on Knowledge Management and Learning in the GEF which focuses on platforms for integrated programs. Without such parallel programming and knowledge management, there is no clear rationale for conducting this as a single project across these different countries. Also – what will be the relationship between this project and the recently approved UNIDO SCCF project entitled "Amplifying the impact of the challenge programme for adaptation innivation of the GEF through learning and knowledge management" (GEF ID 11303), which also has a focus on MSMEs?

- One argument for disaggregating this project into several country-level projects may be the relatively thin climate data presented for each country. Because these countries are all themselves diverse, and there are significant differences between them, it is impossible to develop multiple plausible climate futures for each country within the structure a PFD. Further, the integration of different climate futures with other drivers of change, like population increase and economic growth, to present simple future narratives that illustrate the range of uncertainty in each country's future is unwieldy at this scale. However, without this sort of data, the project runs into two problems.

- First, the cross-country climate data it does present is problematic. Total economic damages from disasters is a poor measure of growing vulnerability. That measure captures the increasing value of assets in the way of climate hazards and population mobility, such as movement toward the coasts, that puts more people in the way of climate hazards. In short, in a country experiencing economic growth and no climate change, one would expect total economic damages to grow simply from the growth of value in harm's way over time. Without integrated narratives of current and future change in each country, it is difficult to meaningfully interpret a 'rising total economic damages from disasters figure' and devise appropriate means of addressing its root causes. It is entirely possible that in some contexts this rising number is an indicator of a rapidly growing economy and incomes, which suggests a very different set of entrepreneurial opportunities than a context where this number suggests an economy mired in increasing disasters that strip out investments and capital, constraining incomes. Will the MSMEs in these diverse contexts need the same sorts of support?

- Second, the PFD is overly general in its characterization of activities, outputs, and outcomes. The ToC requires rethinking. The barriers are general and not linked to specific activities. The assumption is "IF access to innovative finance for adaptation and resilience building action is enabled through the program AND key stakeholders and target groups gain capacity and awareness on climate change and its solutions, THEN adaptation and resilience building action is regularly delivered" but that is what the project is trying to accomplish. The ToC risks being so broad as to be meaningless. This then trickles down to interventions, where there is significant discussion regarding the development of methodologies, guidelines and holding meetings and exchanging ideas but very little on how to implement actual solutions.

- Some of the activities also seem potentially counterproductive, or at least contrary to the rationale of the overall project. Developing guidelines and methodologies (there are many proposed) at the global level and then bringing them down to national level runs contrary to the idea of letting entrepreneurs in each context respond to local challenges and opportunities and feels more like a function of the scale of this project than a decision grounded in understandings of how to develop impactful products. For example, to be truly effective, a better strategy might be to work with local and national stakeholders from the beginning to incorporate their input into project design to ensure that whatever is proposed is context specific and has buy in from stakeholders to increase overall likelihood of adoption. This is acknowledged under Output 3.2.3 regarding climate risk and vulnerability tools.

- Output 3.2.3 Climate risk and vulnerability assessment tools and methodologies developed at global level and disseminated for application to programme partner countries comes after financial assessment of

climate adaptation solutions; however, isn't this information necessary to understand costs vs. benefits? Or is it meant to occur simultaneously?

- Claims of innovation or transformation (though plentiful) are aspirational and not supported by concrete actions.

- STAP notes that the project's use of "policy coherence" is not fully aligned with conventional usage. For example, on page 23 the PIF states: This output (1.1.1) will also ensure policy coherence for ensuring the effective engagement of the private sector through aligned objectives, reduced regulatory burden, enhanced predictability and stability, promotion of sustainable development, facilitation of public private partnerships and enhanced competitiveness. While this is policy coherence within a sector, most efforts to address policy coherence try to address cross-sectoral incoherences (i.e. agricultural subsidies for degrading practices from the agriculture ministry versus conservation policies to stop such degrading practices in the environment ministry).

- Conflict sensitive planning is discussed for Somalia and Ethiopia with mitigation measure to coordinate with UNDSS, UNSOM requirements; however, it might be more effective to develop the country-level projects (child projects) using a conflict sensitive approach/context analysis – See STAP document on Environmental Security: Achieving Durable Outcomes in Fragile and Conflict-affected Situations for more information.

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 identified above, STAP recommends the following specific points to be addressed:

1. Consult STAP's summary of a workshop held on knowledge management and learning in the GEF which provides detailed recommendations on developing common principles for knowledge management platforms.

2. Consult STAP's summary of a worshop held on working in fragile and conflict settings to be able to provide information for child projects being developed under this program, including Ethiopia and Somalia.

3. Consult STAP's advisorys document on Policy Coherence in the GEF (2023) and Framing Policy Coherence for the GEF (2022) to become familiar with the common useage of this term and how it can usefully be applied to this program.

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.)