

STAP guidelines for screening GEF projects

Part I: Project Information	Response
GEF ID	10986
Project Title	Blue Pacific Finance Hub: Investing in Resilient Pacific SIDS Ecosystems and Economies
Date of Screening	4 June 2022
STAP member screener	Ed Carr
STAP secretariat screener	Virginia Gorsevski
STAP Overall Assessment and Rating	<p>Minor.</p> <p>STAP welcomes the project “Blue Pacific Finance Hub: Investing in Resilient Pacific SIDS Ecosystems and Economies.” The project aims to support a wide range of (as of yet undefined) activities in support of sustainable blue economic objectives – with a focus on LDCs. With regards to the blue economy, STAP recommends reviewing the criteria and investment priorities outlined in “GEF and the blue economy” to help orient the project.</p> <p>In addition, the rationale for submitting this project to the LDCF could be significantly sharpened, and STAP suggests that during the PPG stage, the project carefully consider the extent to which improved financing can address the adaptation challenges seen in this region.</p> <p>While it is clear there is a need for increased and improved financing to drive adaptation outcomes (as is true nearly everywhere in the world), what other barriers stand in the way of productive adaptation outcomes in this region? Is finance the right tool to overcome those barriers – or can finance overcome those barriers?</p> <p>To this end, STAP also suggests that the project carefully consider and disaggregate two stakeholder groups in the PPG stage: communities and civil society. These are two diverse sets of stakeholders with different incentives (within and between the categories), but they are some of the most important stakeholders for delivering meaningful</p>

	<p>adaptation benefits. Carefully considering the opportunities and barriers associated with these groups will help assess the extent to which improved financing will actually lead to improved adaptation outcomes.</p> <p>Finally, STAP appreciates the fact that the project problem statement includes a range of possible climate futures for the project region. STAP suggests that in the PPG stage the project should consider how those different futures might shape demand for different financing tools and different amounts of financing – both of which could affect the efficacy of this hub.</p>	
Part I: Project Information B. Indicative Project Description Summary	What STAP looks for	Response
Project Objective	Is the objective clearly defined, and consistently related to the problem diagnosis?	Yes.
Project components	A brief description of the planned activities. Do these support the project’s objectives?	Yes.
Outcomes	<p>A description of the expected short-term and medium-term effects of an intervention.</p> <p>Do the planned outcomes encompass important adaptation benefits?</p>	Yes, they would enable adaptation benefits, however, the logic behind these linkages should be strengthened. Merely adding the term ‘resilient’ to otherwise general outcomes (e.g. strengthen capacity and governance to finance…) is too vague.
	Are the global environmental benefits/adaptation benefits likely to be generated?	If finance is a key barrier to adaptation outcomes in this region, then yes.
Outputs	<p>A description of the products and services which are expected to result from the project.</p> <p>Is the sum of the outputs likely to contribute to the outcomes?</p>	Yes.
Part II: Project justification	A simple narrative explaining the project’s logic, i.e. a theory of change.	
1. Project description. Briefly describe: 1) the global environmental and/or adaptation problems,	Is the problem statement well-defined?	Yes. STAP appreciates the inclusion of multiple possible climate futures in the problem statement, which will help the project assess the efficacy of different interventions across those futures. STAP

root causes and barriers that need to be addressed (systems description)		suggests that this information should be used to select interventions that produce robust results across all scenarios to account for the uncertainty of future climate and other drivers of well-being. See STAP's publication on multiple plausible futures .
	Are the barriers and threats well described, and substantiated by data and references?	Yes.
	For multiple focal area projects: does the problem statement and analysis identify the drivers of environmental degradation which need to be addressed through multiple focal areas; and is the objective well-defined, and can it only be supported by integrating two, or more focal areas objectives or programs?	n/a
2) the baseline scenario or any associated baseline projects	Is the baseline identified clearly?	Yes. STAP appreciates the clear baseline which includes both environmental and adaptation/resilience outcomes.
	Does it provide a feasible basis for quantifying the project's benefits?	Taken with the problem description, it does.
	Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project?	Yes.
	For multiple focal area projects:	
	are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators;	n/a
	are the lessons learned from similar or related past GEF and non-GEF interventions described; and	n/a
	how did these lessons inform the design of this project?	n/a
3) the proposed alternative scenario with a brief description of expected outcomes and components of the project	What is the theory of change?	STAP appreciates the inclusion of a theory of change diagram. A narrative that distills this diagram into a focused statement would help focus the project and make its goals accessible to non-project audiences. See STAP's Theory of Change Primer .

		<p>The theory of change: By building capacity and governance to finance resilient, sustainable blue economies, identifying resilient, sustainable blue economy projects, and improving regional collaboration and knowledge management Pacific countries will be able to identify, prepare, and finance investments that increase the resilience of coastal communities and ecosystems.</p>
	<p>What is the sequence of events (required or expected) that will lead to the desired outcomes?</p>	<p>See below</p>
	<p>What is the set of linked activities, outputs, and outcomes to address the project's objectives?</p>	<p>Component 1: Capacity and governance to finance sustainable, resilient blue economies are strengthened.</p> <ul style="list-style-type: none"> Output 1.1 Country-driven economic and financial analyses of ocean protection, ocean-climate solutions, and ocean-positive investments. Output 1.2 Improved ocean governance systems including sustainable ocean planning and adaptation planning. Output 1.3 Mechanisms to increase public and private capital for ocean-climate action in the Pacific, including through domestic resource mobilization and innovative financing instruments (selected countries). Output 1.4 Capacity building for young professionals in ocean finance and the blue economy. <p>Outcome 1: Capacity and governance to finance sustainable, resilient blue economies are strengthened.</p> <p>Component 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.</p> <ul style="list-style-type: none"> Output 2.1 National and regional pipelines of sustainable, resilient blue economy investments are prioritized.

		<p>Output 2.2 Sustainable, resilient blue economy projects are prepared for finance. Output 2.3 Sustainable, resilient blue economy projects are implemented Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.</p> <p>Component 3: Regional collaboration and knowledge management are strengthened. Output 3.1 Establishment of the Blue LDC Pacific Finance Hub to facilitate collaboration on ocean-climate action and resilient blue economy development. Output 3.2 Regional blue ocean knowledge-sharing and learning strategy developed and implemented. Output 3.3 Research and Education Division of the CAN-CC established. Outcome 3. Regional collaboration and knowledge management are strengthened.</p>
	Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?	Yes, they are plausible. The identification of finance – and the need for better governance of finance – is substantiated in the PIF.
	Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?	No, there is no discussion of this. While this is a financing project, changing conditions could change demand for financing – and change the types and amounts of financing needed.
5) incremental/additional cost reasoning and expected contributions from the baseline, the GEF trust fund, LDCF, SCCF, and co-financing	GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits?	n/a
	LDCF/SCCF: will the proposed incremental activities lead to adaptation which reduces vulnerability, builds adaptive capacity, and increases resilience to climate change?	If the fundamental assumption of the project, that well-governed finance is a key barrier to effective adaptation in the region, is true – yes, this project will lead to these benefits.

6) global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)	Are the benefits truly global environmental benefits/adaptation benefits, and are they measurable?	Yes.
	Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?	Yes
	Are the global environmental benefits/adaptation benefits explicitly defined?	Yes – they are clearly defined
	Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?	Yes, there are clear indicators laid out in the PIF
	What activities will be implemented to increase the project's resilience to climate change?	There is no discussion of this in the PIF. See the comments on climate risk below.
7) innovative, sustainability and potential for scaling-up	Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning?	The hub is itself an innovation in ocean finance that builds on prior project experience.
	Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?	The vision for scaling up is a general reference to the strengthening and creation of new policies to promote innovative finance in the region. There is mention of raising \$50m in grant finance, leveraging 10x that amount in investments, to support the piloting of innovative ocean finance projects, but this is not elaborated.
	Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?	The project itself is incremental – it is a financing project that will focus on adaptation. However, it could result in transformational adaptation projects, depending on what is financed.
1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place.		There is a map that lays out the locations of the countries and their exclusive economic zones.
2. Stakeholders. Select the stakeholders that have participated in consultations during the project identification phase:	Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?	The PIF lists a wide range of stakeholders. The category “Civil Society” is very broad and should be specified, as there are many actors under that heading that have different incentives and goals. Clearly engaging these actors will be critical for

<p>Indigenous people and local communities; Civil society organizations; Private sector entities.</p> <p>If none of the above, please explain why.</p> <p>In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.</p>		<p>designing finance that has meaningful impact. STAP notes that in the narrative section on stakeholders the PIF records engagement with a diversity of civil society actors, and suggests project designers draw on that initial consultation to develop more specific stakeholder categories in the PPG stage. Similarly, “communities” is likely over-general here, as there are very significant differences within communities (not least of which by gender) that need to be identified and addressed.</p>
	<p>What are the stakeholders’ roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?</p>	<p>The table on pages 47-48 captures the expected roles for all the listed stakeholders. STAP notes with concern that the “Proposed role in project success and in the success of the ‘Hub’ to be established under the project” for both communities and local governments remains to be determined. These two sets of stakeholders are perhaps the most important for delivering meaningful adaptation benefits, and the project must clarify these roles in the PPG stage.</p>
<p>3. Gender Equality and Women’s Empowerment.</p> <p>Please briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis). Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes/no/tbd.</p>	<p>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</p>	<p>Yes, they have been identified. STAP notes that the identification of gendered risks and opportunities in the PIF is very over-generalized and therefore out of step with the latest knowledge and practice in adaptation. Lumping all women together as more vulnerable and having less adaptive capacity is contrary to current thought and practice, where understanding that different women (i.e. by wealth, age, etc.) have different vulnerabilities and adaptive capacities is known to be a more effective means of identifying adaptation challenges and the appropriate means of addressing them.</p> <p>STAP appreciates that the PIF does identify important non-climate drivers of gender inequality and vulnerability. It strongly recommends that the</p>

<p>If possible, indicate in which results area(s) the project is expected to contribute to gender equality: access to and control over resources; participation and decision-making; and/or economic benefits or services.</p> <p>Will the project's results framework or logical framework include gender-sensitive indicators? yes/no /td</p>		<p>project consider how climate impacts will interact with these non-climate drivers of vulnerability, and therefore how adaptation actions might address overall vulnerability and adaptive capacity in an effective manner.</p>
	<p>Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?</p>	<p>Yes. The PIF discusses addressing these participation issues through staffing, developing a gender strategy and action plan, and annual reporting on mainstreaming and improving gender issues. All of this, however, is to be built into the hub. The project will conduct a full gender assessment and development a gender action plan before the hub is established.</p>
<p>5. Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design</p>	<p>Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control? Are there social and environmental risks which could affect the project?</p> <p>For climate risk, and climate resilience measures:</p> <ul style="list-style-type: none"> • How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately? • Has the sensitivity to climate change, and its impacts, been assessed? • Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with? • What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures? 	<p>Yes, they are valid and comprehensive. The risks seem beyond project control. There are social and environmental risks to the project, but they are not excessive.</p> <p>Climate risk in this document is confined to the risks created by weak/inadequate climate data as a barrier to project goals. There is no discussion of how climate impacts might themselves affect the project. This might be because the designers see this as a financing project that is aimed at addressing impacts, but will not itself be impacted. If so, project designers should state this clearly. Also, they should consider how new or escalating impacts might impact the types and amount of financing needed and how that might affect project outcomes. STAP suggests carrying out a climate</p>

		risk screening focused on how potential new or escalating impacts could affect the type and amount of finance required.
6. Coordination. Outline the coordination with other relevant GEF-financed and other related initiatives	Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?	Yes.
	Is there adequate recognition of previous projects and the learning derived from them?	Yes
	Have specific lessons learned from previous projects been cited?	Yes
	How have these lessons informed the project's formulation?	They speak to its structure and focus
	Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects?	Yes
8. Knowledge management. Outline the "Knowledge Management Approach" for the project, and how it will contribute to the project's overall impact, including plans to learn from relevant projects, initiatives and evaluations.	What overall approach will be taken, and what knowledge management indicators and metrics will be used?	The overall strategy is currently vague, with output 3 of the project focused on developing a full KM strategy.
	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	This is also vague but relies on the ADB's extensive network and reach in the region. It is not unreasonable to assume that the ADB will be a core means of sharing, disseminating, and scaling up the work of this project. There is ambition to scale this beyond island states to all ADB nations across Asia with large coastlines. There is also an ambition to extend lessons learned to all LDC SIDS.

Notes

STAP advisory response	Brief explanation of advisory response and action proposed
<p>1. Concur</p>	<p>STAP acknowledges that on scientific or technical grounds the concept has merit. The proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.</p>
	<p>* In cases where the STAP acknowledges the project has merit on scientific and technical grounds, the STAP will recognize this in the screen by stating that <i>“STAP is satisfied with the scientific and technical quality of the proposal and encourages the proponent to develop it with same rigor. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design.”</i></p>
<p>2. Minor issues to be considered during project design</p>	<p>STAP has identified specific scientific /technical suggestions or opportunities that should be discussed with the project proponent as early as possible during development of the project brief. The proponent may wish to:</p>
	<p>(i) Open a dialogue with STAP regarding the technical and/or scientific issues raised;</p>
	<p>(ii) Set a review point at an early stage during project development, and possibly agreeing to terms of reference for an independent expert to be appointed to conduct this review.</p>
	<p>The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>

<p>3. Major issues to be considered during project design</p>	<p>STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical methodological issues, barriers, or omissions in the project concept. If STAP provides this advisory response, a full explanation would also be provided. The proponent is strongly encouraged to:</p>
	<p>(i) Open a dialogue with STAP regarding the technical and/or scientific issues raised; (ii) Set a review point at an early stage during project development including an independent expert as required. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>