STAP Screen: GEF ID 11573

GEF ID	11573
Project title	Enhancing Integrated Watershed Management and Climate Resilience for Vulnerable Communities in the Nam-Poui, Nam-Poun, Nam-Lay and Nam-Houng Basins in Lao PDR
Date of screen	May 30 2024
STAP Panel Member	Ed Carr
STAP Secretariat	Virginia Gorsevski

1. Summary of STAP's views of the project

STAP acknowledges the project "Enhancing Integrated Watershed Management and Climate Resilience for Vulnerable Communities in the Nam-Poui, Nam-Poun, Nam-Lay and Nam-Houng Basins in Lao PDR." The objective of this project is to enhance climate adaptation and resilience of upstream and downstream communities in Sayaboury province, through integrated water resource management (IWRM), nature-based solutions (NbS), small-scale grey infrastructure and local livelihood diversification.

STAP finds that this project displays a good rationale for why this area was selected over other possible regions in Lao and appreciates the bottom-up, community-driven action approach of this project.

However, a limited set of climate futures outlined in the PIF makes it challenging to assess and design for future uncertainty. This is compounded by the lack of integrated simple future narratives that capture this uncertainty and clarify the role of climate in increasing vulnerability. A number of assumptions are made in the PIF about both the impacts people are experiencing and what is needed to address those impacts (i.e. livelihoods transformation) without limited evidence supporting these assumptions assumptions, creating a significant risk that expected interventions may not be appropriate or worse, are maladaptive.

Ultimately, despite claims to the contrary, the project is actually fairly standard in terms of building capacity, implementing NbS, livelihood diversification, etc. with many daunting assumptions that cast some doubt upon the ultimate success of this project.

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
- □ **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 project indicates a good understanding of ongoing activities in Lao and clearly articulates how this project will complement those activities and add value that would not otherwise be realized. However, the

PIF is less effective at laying out an adaptation rationale, the establishment of which at times seems to be a goal of the project for the PPG stage.

- The goal of the project is to "enhance climate resilience of local communities in key watersheds in Sayaboury province through IWRM and community-driven livelihood support." However, the PIF does not fully articulate how climate change drives the challenges the project is aimed at addressing. The PIF partially lays out two climate futures (based on RCP4.5 and RCP8.5), both in the medium and long term. Where it clearly articulates the difference between these scenarios in terms of temperatures, it largely lays out a single scenario in terms of changes in precipitation, and *asserts* that flooding has increased from an increase in the number of large rain events. There is no reference or data to support this claim. The PIF should provide data and describe how the timing of precipitation and the number of large precipitation events have changed over time to support the contention that changes in flooding are climate-related. As flooding is shaped by land use and geomorphology, it is likely that human land management is contributing to any changes in flooding and may even be the main driver of change. This is not discussed at all in the PIF making the contribution of climate less clear.

- In addition, as the goal of the project is to "enhance climate resilience of local communities in key watersheds in Sayaboury province," a careful examination is needed regarding the question of heat stress on rice production, as agricultural productivity depends on numerous factors including precipitation and temperature and it is therefore necessary to understand the relative contribution of each in a particular area. See, for example, Baraka, J. . (2023). Effect of Global Warming on Agricultural Productivity. *International Journal of Agriculture*, *8*(1), 21–30; Kumari, Rekha and Shruti Kanga (2021). "Impacts of climate variability on growth and variability of agricultural productivity: a review." *Sustainability, Agri, Food and Environmental Research.*

- To justify the focus on IWRM as a vehicle for improving the resilience of local communities, the project should present evidence that water and rainfall are the critical factors to be addressed in this part of the world (or add a component aimed at heat stress).

- The PIF also lacks integrated simple future narratives that could help to clarify the relevance and importance of the selectd interventions to a range of possible futures in the project area. As noted above, the PIF needs to more fully articulate more than one plausible climate future. However, it also then needs to integrate this information with other drivers of change, such as demography or economic growth, to identify how the future could unfold considering the different drivers of change. This is necessary to identify interventions that are robust and relevant across a range of futures. By robust, they should be able to deliver benefits across a range of futures. By relevant, they should align with expected future trends in the project area and country. For example, is farming expected to be a dominant activity in this area in 2040? If it is not, should this project focus on making existing livelihoods resilient, or think about implementing interventions that push the target area toward desired transformative pathways?

- The challenges, stresses, and barriers in the ToC are valid but not well-connected to the components of the project. There are several apparent reasons for this. First, the problem statement of the PIF has not been validated. There is not enough climate data in the PIF to make clear what likely impacts are coming and therefore what sorts of interventions might make sense. Second, the PIF seems to push what should be preliminary project design questions to the PPG or later stages. For example, under Output 1.1.2 the PIF states "A detailed analysis of climate trends and likely impacts at priority upstream and downstream districts in Sayaboury province, and socioeconomic trends relevant to northwestern Lao PDR will be undertaken." This type of preliminary analysis of such trends and impacts is central to the adaptation rationale of this project and must be done during PPG phase to ensure that selected inverventions are appropriate. See STAP's Decision Tree for Adaptation Rationale.

- Component 3 of the project also appears to be pushing an important aspect of community stakeholder engagement to later project stages. As it currently stands, the design of Component 3 rests on assumptions that local livelihoods are a source of vulnerability and therefore in need of change, without establishing the extent to which this is true. Addressing these issues would allow for a revised ToC that explains how the components respond directly to the barriers through a series of causal pathways.

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. Present integrated future narratives to illustrate the range of possible baseline scenarios that the project will have to address. These narratives should integrate different climate futures along with relevant other drivers, such as demographics (population growth/decline, migration, etc.) and economic change (shifting economic activities, growing/shrinking incomes, etc.). This will create a baseline that reflects an uncertain future and allows the project to select and design interventions that are robust across a range of futures.

2. Develop a preliminary analysis of climate trends and impacts in Sayaboury province to ensure that the basic assumptions behind the project are sound. This should be followed by a more detailed analysis of climate trends to validate and refine the initial analysis.

- Conduct extensive engagement activities with stakeholders during PPG stage to ensure that the project's assumptions about challenges and vulnerabilities in the project area accurately reflect the experiences and priorities of these communities. This engagement should seek to clarify the extent to which existing livelihoods practices are already adapted to existing and likely future stresses. Consult the Decision Tree for Adaptation Rationale to ensure that project design does not result in maladaptive interventions.

- Revise the ToC to create clearer impact pathways that link project components to outputs and outcomes in a manner that clarifies how they respond directly to the barriers enumerated in the PIF. See STAP's Primer on Theory of Change Primer for more guidance.

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.)