

Scientific and Technical Advisory Panel



The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility (Version 5)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

(Note that an earlier screening report was produced on October 2, 2007 but not filed with GEF Secretariat. Accordingly this updated report which replaces the earlier draft should be referred to by ADB. The STAP advisory response should be taken into account if possible)

Date of screening: April 5, 2010

Screener: Douglas Taylor, STAP Secretary

Panel member validation by: Sandra Diaz and Meryl Williams

I. PIF Information

Full size project **GEF Trust Fund**

GEFSEC PROJECT ID: 3279

GEF AGENCY PROJECT ID: 37409

COUNTRY: Indonesia

PROJECT TITLE: Citarum Watershed Management and Biodiversity Conservation (Baseline: Integrated Citarum Water Resources Management Investment Program: Tranche 1)

GEF AGENCY: ADB

OTHER EXECUTING PARTNERS: Ministry of Forestry; Ministry of Public Works, Directorate-General of Water Resources

GEF FOCAL AREA: Biodiversity

GEF-4 STRATEGIC PROGRAM(S): BD-SP1; BD-SP3; BD-SP4; BD-SP5

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: Not applicable

II. STAP Advisory Response *(see table below for explanation)*

1. Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies):
Minor revision required

III. Further guidance from STAP

2. STAP welcomes this project as it addresses the Indonesian river basin that supplies 80% of the water for Jakarta, supports a large human population and is home to important ecosystems already mooted for protection through PA systems. STAP also welcomes an integrated approach to Protected Areas within a wider IWRM/landscape approach. However, it is very hard to see from the PIF what are the "activities to conserve biodiversity values" and what specifically will be GEF funded within the seven protected areas, as compared to the wider range of activities necessary to achieve the broad objective of the project.
3. A Minor revision requirement has been indicated by STAP which requests further information from the proponent as the project brief develops, to better understand the risks, the methodologies proposed including the PES approach to be taken, the proposed research (in Component 7) and capacity building and their application to the wider GEF portfolio. What is the main objective of the project? Is it the protection of globally-relevant biodiversity? Is it the mainstreaming of biodiversity in production landscapes? Is it protection of water quality for human use? If it is some combination of these, how are they to be combined? What is the present legal status, land tenure regime and functionality level of the PAs other than Gunung Gede Pangrango National Park? What is their importance for the potential objectives mentioned above? Which agencies and at which levels of government (national, provincial, district) have responsibilities and under which laws? To follow up this set of comments, STAP requests the proponent to agree to a review point well before planned submission for CEO endorsement, to enable STAP to determine if a full technical review is required prior to submission.
4. Regarding the application of PES, the Panel refers ADB to its advisory document on PES¹ for use in developing Component 4 of the full proposal, in particular to the need to describe design choices to

¹ See: <http://www.unep.org/stap/PaymentforEnvironmentalServices/tabid/3072/language/en-US/Default.aspx>

minimize four threats to PES effectiveness and to specify indicators that will permit one to evaluate the importance of these threats in the project:

- a. non-compliance with contractual conditions
- b. poor administrative selection (i.e., contracts are offered to areas or individuals who are not in the best position to supply environmental services cost-effectively)
- c. spatial demand spillovers (a.k.a., general equilibrium effects, or “leakage”) whereby protecting a resource in one location pushes pressure onto resources elsewhere
- d. adverse self-selection, where people would have supplied the contracted PES service or activity even in the absence of a payment.

It is not clear what are the ecosystem services that will be traded, other than water. Who are potential sellers, who are potential buyers? what are the mechanisms that will ensure that the benefits from PES schemes will reach the right stakeholders?

It is not clear which aspects of biodiversity (e.g. focus on biodiversity related to water ecosystem service provision, such as vegetation in upper catchment, edible fish, “water filtering” plant species, or globally relevant biodiversity, such as unique and/or endangered mammals, birds, fishes or plants) and which water-related services would be the most central to the project, and how they will relate to each other. For example, agricultural run-off and factory pollution are mentioned, but it is not clear whether they are to be reduced in order to boost biodiversity or biodiversity components will be used to ameliorate their impacts. If it is the second case, the position of the sources of pollution with respect to the PAs (upstream or downstream) is crucial.

5. Further information is required on how climate change risks will be assessed (methods, possible sources of information) and potential mitigation measures will be identified.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and 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.
2. Minor revision required.	STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include: <ol style="list-style-type: none"> (i) Opening a dialogue between STAP and the proponent to clarify issues (ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review 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.
3. Major revision required	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement. 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.