

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)

Date of screening: 10 February 2010

Screener: David Cunningham

Panel member validation by: Brian Huntley

I. PIF Information

Full size project

GEF Trust Fund

GEF PROJECT ID: 4207

PROJECT DURATION: 60 months

COUNTRY: Mexico

PROJECT TITLE: Fostering sustainable and competitive production systems consistent with the conservation of biodiversity

GEF AGENCY: World Bank

OTHER EXECUTING PARTNER: CONABIO

GEF FOCAL AREA: Biodiversity

GEF-4 STRATEGIC PROGRAM: BD-SP5 - Fostering Markets for BD Goods and Services

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:
Minor revision required

III. Further guidance from STAP

2. STAP welcomes this proposal to mainstream biodiversity in Mexican production landscapes. The \$11.6 million GEF grant would represent one of the biggest GEF investments in developing eco-labelling and has the characteristics of an environmental certification project, including 'green label or market branding', 'green standards' and 'third party verification mechanisms'. The Panel requests that the World Bank consider the following issues when developing the full proposal:
 - a. The PIF lists several agricultural commodities for which green standards will be developed, including cocoa. The list of related initiatives could now include the \$5.5 million GEF investment in "Greening the Cocoa Industry" under consideration by the Earth Fund which also deals with developing and scaling up certified production standards in the global cocoa industry (GEF ID 3077, UNEP).
 - b. The PIF correctly identifies that "Constraints for sustainably-produced (green) products include: (i) yields that are lower compared to conventional systems, due to low intensity production and weak technological appropriation; (ii) producers operating in small groups that share products and production systems; (iii) competition between producer groups; and (iv) the majority of the products have limited value added due to producers' low capacity to ensure compliance with certifiable or green production standards." The full proposal should consider these risks more fully and describe how they will be addressed.
 - c. A more significant risk not detailed in the PIF is that the link between certification systems and positive environmental impacts is poorly understood. A footnote in Part A claims that "Shade coffee systems (as a certifiable production process) have greater biomass, more nutrients and biodiversity, fewer weeds and pests and a better water and microclimate balance". The full proposal should substantiate these claims compared to non-certified production processes, or explain how such impacts will be measured during implementation.
3. The project represents a good opportunity to contribute to Learning Objective Three of the GEF-5 Biodiversity Focal Area Strategy: *Enhancing Impacts through Improved Understanding of the Causal Relationships between Popular Mainstreaming Approaches and Conservation Outcomes*. This learning objective refers to three popular approaches for which little evidence on their effectiveness in generating biodiversity benefits exists: certification; PES; and information transfer on the spatial distribution of species and ecosystem services and the valuation of these species and services.

4. STAP is currently producing an advisory document on certification that will expand on the above points and other issues in environmental certification. This document will be provided to the World Bank for reference in the preparation of the full proposal.

| <i>STAP advisory response</i> | <i>Brief explanation of advisory response and action proposed</i> |
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| 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: <ul 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. |