

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: September 29, 2015

Screeener: Guadalupe Duron

Panel member validation by: Annette Cowie

Consultant(s):

I. PIF Information *(Copied from the PIF)*

FULL SIZE PROJECT SPECIAL CLIMATE CHANGE FUND

GEF PROJECT ID: 6915

PROJECT DURATION : 4

COUNTRIES : Kazakhstan

PROJECT TITLE: Southeast Europe and Central Asia Catastrophe Risk Insurance Facility

GEF AGENCIES: World Bank

OTHER EXECUTING PARTNERS: Europa Re

GEF FOCAL AREA: Climate Change

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

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies):
Concur

III. Further guidance from STAP

STAP welcomes the World Bank's proposal on "Southeast Europe and Central Asia Catastrophe Risk Insurance Facility". In the full proposal, STAP would welcome a complete description of the components and adaptation benefits, so the contributions of the SCCF grant to the World Bank weather risk insurance program are better understood.

In addition, STAP suggests addressing the following points during the development of the project:

1. In the full proposal, STAP recommends detailing how the weather risk insurance will be calculated. Additionally, STAP recommends conducting a demand analysis for the insurance for each type of recipient (e.g. small and medium enterprise, small-landholder), and how the proposed insurance will meet their needs. This analysis should taken into account farmers' awareness (and other insurance recipients) of crop insurance, and their experiences with it, so that the development of the insurance market in Kazakhstan reflects their priorities and experiences. The following paper can provide a source of information on the factors affecting farmers' perceptions on their use of weather insurance: Ghazanfar, S., et al. "Farmers' perceptions and awareness and factors affecting awareness of crop insurance as a risk coping mechanism evidence in Pakistan". Journal of Northeast Agricultural University. Volume 22, Issue 1, January 2015, Pages 76-82.
2. STAP suggests considering the use of plant growth stages for the beginning and end dates for the insurance period instead of fixed calendar dates as it is commonly used in weather risk insurance. A study based in Kazakhstan indicates that including plant growth stages, and accounting for the differences in plant growth throughout different phases, can strengthen the protection of weather insurance, and reduce financial risks for farmers. (Refer to Conradt, S., Finger, R., Sporri, M. "Flexible weather index-based insurance design". Climate Risk Management. In press.)
3. The project should describe the strengths and limitations of using weather risk insurance as a measure for climate change adaptation. In this regard, STAP encourages referring to published reports and analyses on the impact of weather risk insurance on farmers' (and other insurance practitioners) adaptive capacity to climate change. The project also should consider contributing to this evidence base.

STAP advisory response	Brief explanation of advisory response and action proposed
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<p>1. Concur</p>	<p>In cases where STAP is satisfied with the scientific and technical quality of the proposal, a simple “Concur” response will be provided; the STAP may flag specific issues that should be pursued rigorously as the proposal is developed into a full project document. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design prior to submission for CEO endorsement.</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. (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.</p> <p>The GEF Secretariat may, based on this screening outcome, delay the proposal and refer the proposal back to the proponents with STAP’s concerns.</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>