

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: 6 October 2008

Screener: Guadalupe Duron

Panel member validation by: Michael Stocking

I. PIF Information

Full size project

GEF Trust Fund

GEF PROJECT ID: 3774

GEF AGENCY PROJECT ID: P107473

COUNTRY(IES): Republic of Montenegro

PROJECT TITLE: Montenegro Institutional Development and Agriculture Strengthening (MIDAS)

GEF AGENCY(IES): World Bank

OTHER EXECUTING PARTNER(S): Ministry of Agriculture, Forestry, and Water Management

GEF FOCAL AREA (S): Land Degradation

GEF-4 STRATEGIC PROGRAM(S): LD-SP1-Agriculture

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):
Major revision required

III. Further guidance from STAP

The GEF component of this proposal is to promote mainstreaming of environmental sustainability into the Montenegrin Ministry of Agriculture, Forestry and Water Management (MAFWM) support programs. The core project relates to an IBRD loan to help finance an ambitious reform agenda related to EU accession for Montenegro to move away from a traditional system of subsidizing particular agricultural inputs and outputs, and instead develop a more holistic approach to supporting rural development. The core issue in this STAP screening of the PIF is how far the GEF component can scientifically and technically deliver global environmental benefits (GEBs) on top of a rural development and agricultural modernization program for Montenegro.

GEF funding is intended to be used to address a number of environmental challenges, especially for protecting mountain ecosystems in the north of the country, preventing soil erosion and promoting integrated land and watershed management. GEF funds are intended to be used to "build the capacity of the soon to be established rural development unit for MAFWM and the advisory services to prepare and implement agri-environmental programs. This funding would be used cover technical assistance, training, workshops and study tours and related support."

Based upon scientific and technical criteria, STAP has a number of concerns about the use of GEF investments to build an agri-environmental component into this broader rural/agricultural development project. STAP advises that it may be necessary to seek substantial revision and/or clarification of the proposal in order to make the investment eligible for GEF funds:

- (1) One of the objectives of the main project is to increase the use of modern agricultural technologies. It is not clear from the PIF how this modernisation will be made compatible with environmental objectives. It is clear from experience elsewhere that intensification and commercialization of agriculture often leads to impacts on global environmental components, such as reduction in soil organic matter (i.e. depleted carbon), loss in biodiversity and sometimes the degradation of the soil and land through mechanization and other 'advanced' practices. The proposal needs to elaborate how these competing interests will be harmonized and addressed.
- (2) The geographical focus of the project is stated to be the northern mountainous areas of Montenegro where ecosystems are fragile and susceptible to degradation. It is not clear from the proposal how a geographical focus can be made compatible with a project that is intended to modernise the whole of the agricultural and rural development sector of Montenegro. STAP believes that the potential to address

global environmental objectives needs to be built in all agricultural zones.

- (3) The building of environmental concerns into national programs of rural development is normally a national mandate. It is not clear how the GEF-funded component is a legitimate global increment, over and above what a country might be expected itself to provide. It is noted that previous projects, such as the USAID assistance to the preparation of local economic development strategies, and investment in agriculture and sustainable tourism, did not address environmental issues, and therefore a project that does raise environmental issues is needed. GEF does not normally provide funding for missing components of previous projects. The proposal needs to specify with greater precision how the GEF investments will bring benefits that would not normally be expected to arise from environmentally-sensitive programs of rural and agricultural development.

<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: <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.