

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 27, 2015

Screeener: Guadalupe Duron

Panel member validation by: Annette Cowie
Consultant(s):

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

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 9277

PROJECT DURATION : 5

COUNTRIES : Regional (Latin America and Caribbean)

PROJECT TITLE: Risk Mitigation Instrument for Land Restoration (Non-Grant)

GEF AGENCIES: IADB

OTHER EXECUTING PARTNERS:

GEF FOCAL AREA: Land Degradation

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):
Minor issues to be considered during project design

III. Further guidance from STAP

STAP welcomes the Inter-American Development Bank's (IADB) proposal "Risk Mitigation Instrument for Land Restoration" in Latin American and the Caribbean (LAC). The proposal summarizes the global environmental problems (e.g. deforestation, biodiversity loss, and climate change emissions from land sector), and provides an overview of some of the root causes (e.g. population growth, increase in agricultural production, extractive industries). The proposal provides a good summary of the potential benefits of forest restoration, and types of restoration activities that can deliver positive environmental and economic outcomes. The document also describes in general terms how the GEF grant can be used to provide a guarantee to IADB loans in order to overcome the costs associated with establishing (agro) forestry projects. STAP supports this initiative in principle, given the significant global environmental problems in the LAC region that are attributed to agricultural extensification and deforestation (among other issues). STAP would have preferred, however, a more comprehensive proposal that described IADB's experience with the agriculture/forestry sector, as well as a preliminary indication of the countries, the activities to be pursued in each country, the specific global environmental problems, and how the project plans to tackle them. This information would have provided STAP with an opportunity to advise on the technical merits of the proposal.

As IADB develops further the proposal, STAP offers the following suggestions:

1. The proposal appears to insufficiently recognize that reforestation of degraded lands has high costs and risks due to the nature of the land itself. For example, degraded land may have lost topsoil, and, therefore, have low chemical fertility and physical constraints, which increase the cost of establishment and increase the risks of failure. Also, where native species are planted the growth rates are often very low. Thus, STAP highly recommends for the IADB to acknowledge and address these factors when developing the proposal.
2. IADB indicates it will apply its environment and social safeguards in the development of the projects, which STAP is pleased to know. However, STAP would like to see further evidence of how the sustainability assessments will be conducted for each project so that negative externalities are avoided, considering both environmental and social aspects. For example, STAP would like to see further detail of safeguards to ensure restoration projects do not cause indirect land use change, displacement of communities, or indirectly encourage activities that could degrade forests. Further, the proposal should detail how IADB's environmental and social safeguards will deal with the risk of invasive species.
3. Further, STAP proposes that the project include mechanisms to generate evidence that the safeguarded compliance policy has been adequately implemented.

4. The proposal indicates that it will contribute to reducing emissions from the land sector (750 million tons of CO₂e mitigated). STAP requests that the IADB define the methodology that will be used to quantify the carbon sequestered by the project activities at mid-term and final reporting. Furthermore, STAP advises to include losses in biomass and soil carbon that occur during the establishment of trees when estimating carbon sequestration amounts. Suitable methodologies that may be used include CBP and ExAct: <http://carbonbenefitsproject-compa.colostate.edu/>
<http://www.fao.org/tc/exact/ex-act-home/en/>

5. STAP proposes detailing the areas to be targeted, and the land degradation issues the project intends to address.

6. If payment for ecosystem services (PES), or certification schemes are planned, STAP recommends for the IADB to apply the advice it developed on these two themes. Refer to: <http://www.stapgef.org/payments-for-environmental-services-and-the-global-environment-facility/> and <http://www.stapgef.org/environmental-certification-and-the-global-environment-facility/>

7. Further details on the loan beneficiaries would be valuable. Currently, it is not clear whether the recipients will be small-business owners, and/or small-scale farmers, and how the loans will be tailored to reduce their risks and "first cost barriers" for forestry projects.

8. STAP proposes that the investments focus on SMEs such as national cooperatives, farmer cooperatives, and marketing cooperatives.

9. To complement further the baseline description and the potential drivers of global environmental change, provide a description of the policies influencing restoration in the targeted countries. This includes national policies regulating the forestry and agricultural sectors, as well as international trade policies and demand for agricultural and forestry goods, and elements from extractive industries.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Concur	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.
2. Minor issues to be considered during project design	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: (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. 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 issues to be considered during project design	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: (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. The GEF Secretariat may, based on this screening outcome, delay the proposal and refer the proposal back to the proponents with STAP's concerns. 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.
--	---