

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: April 25, 2012

Screeener: Guadalupe Duron

Panel member validation by: Michael Anthony Stocking
Consultant(s):

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

FULL SIZE PROJECT **GEF TRUST FUND**

GEF PROJECT ID: 4778

PROJECT DURATION : 5

COUNTRIES : Albania

PROJECT TITLE: Environmental Services Project

GEF AGENCIES: World Bank

OTHER EXECUTING PARTNERS: Ministry of Environment, Forests and Water Administration

GEF FOCAL AREA: Multi Focal Area

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): **Consent**

III. Further guidance from STAP

STAP welcomes the World Bank proposal "Environmental Service Project" in Albania. The project objective is clear and supported by the problem statement. STAP also welcomes the climate projection data included in the baseline narrative, as well as other baseline data on the expected global environmental benefits – such as the control of soil erosion. STAP believes the proposal could be further strengthened by addressing the following comments during the project development.

1. STAP appreciates the clear distinction between Outputs and Outcomes in the Project Framework, as well as the intention to base some of the Outcomes on the impact indicators for the focal areas included in the project (e.g. erosion reduced, carbon sequestered and biodiversity conserved). It is also good to note that some Outcomes address directly the UNCCD national reporting indicators – e.g. poverty status. STAP suggests that change in land cover would also be a relevant impact indicator to track and monitor during the project. However, even at this early stage of project preparation, STAP recommends defining more explicitly the expected Outputs. This could include stating how many forest and pasture service personnel will be trained (component 3.1.), among other examples. Furthermore, STAP proposes re-wording the project objective so it is more succinct and relevant to the expected global environmental benefits. For example, the objective could include more of an emphasis on integrated landscape management and agro-ecosystems as a way to increase carbon and biodiversity benefits in Albania.

2. STAP appreciates the efforts to build significantly upon the efforts and results of the Natural Resources Development Project (NRDP). The proposal identifies clearly what components are linked to the NRDP, and how the expected outcomes will strengthen the NRDP interventions and its results. However, STAP believes some of this information could be highlighted in a table; thereby, illustrating more explicitly how the Environmental Service Project (ESP) will scale-up, replicate, or integrate the lessons learned from the NRDP.

For example, the proposal is unclear why "...despite the NRDP there are still significant areas of erosion, degradation and unsustainable land use practices", and how the ESP will build upon the NRDP lessons to better address land degradation. There needs to be professional review of the NRDP technologies and approaches, and a realistic analysis of the reasons for success and failure. In other similar projects, it has been proved useful to analyse for the private economic rationality of practices using simple cost-benefit analysis. This often reveals that some technically-good practices incur unacceptable costs on land users, while others that are deemed less technically-good are far more likely to be acceptable. Criteria should be established for the choice of technologies and approaches. It would also be good at this stage to include a KM/database sub-component for Albania, perhaps based upon WOCAT or LADA methodologies. A good paper on economic analysis of soil conservation is by the World Bank's Stefano Pagiola in 1998 – see <http://www.elaw.org/system/files/Economic.Analysis.Soil.Conservation.pdf>. For the project proposal,

providing this information in a table format, or delineating more clearly the components into sub-components (as outlined in the project framework), could be an option to better define the interventions.

3. STAP recommends making the global environmental benefits (GEBs) more explicit. Currently, some of the expected benefits are included in the baseline definition of component 1 (page 10), but less so under the incremental reasoning. The project framework implies a number of GEBs but nowhere in the PIF is there any mention of the choice of impact indicators, the methodology to track these and the institutions that will monitor and report on the benefits “ both environmental and socio-economic “ of project investments. Also, biodiversity benefits are less defined in the proposal and should be more prominent. It would also be good to use the ecosystem goods and services framework to identify benefits that will be achieved across provisioning, regulating and supporting services. Employing an ecosystem approach would enhance the intention to build a more integrated approach to the management of land and water resources in Albania.

4. In component 3, STAP recommends defining clearly the methodology that will be used to measure and monitor the sequestered carbon. The GEF-financed Carbon Benefits Project could provide a tool that will be useful for tracking below- and above-ground carbon and GHG emissions. Furthermore, STAP suggests defining explicitly an ex-ante baseline for carbon, especially at those carbon sites initially established under the NRDP.

5. On payment for ecosystem services (PES), STAP recommends providing scientific references on how innovative financing can improve sustainable flows of forest products. Doing so, would strengthen the scientific reasoning of this component. Furthermore, STAP recommends referring to its STAP Advisory Document "Payment for Environmental Services and the Global Environment Facility" “ www.unep.org/stap The advisory document highlights a number of entry points for designing PES in GEF projects as well as the main threats to PES effectiveness.

6. STAP recommends building climate risks in the proposal. Based on the climate projection data (noted in the proposal) and Albania's dependence on ecosystem services for its sustainable development, it would be advantageous for the project to build in adaptive capacity measures. The project proponents may wish to consult the World Bank Climate Change Knowledge Portal for information on adaptation tools
<http://sdwebx.worldbank.org/climateportal/index.cfm>

<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.