

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: December 11, 2017
Screener: Guadalupe Duron
Panel member validation by: Michael Anthony Stocking
Consultant(s):

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

FULL-SIZED PROJECT	GEF TRUST FUND
GEF PROJECT ID:	9914
PROJECT DURATION:	3
COUNTRIES:	Global
PROJECT TITLE:	CPIC Conservation Finance Initiative - Scaling up and Demonstrating the Value of Blended Finance in Conservation
GEF AGENCIES:	IUCN
OTHER EXECUTING PARTNERS:	TNC
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):
Minor issues to be considered during project design

III. Further guidance from STAP

STAP acknowledges IUCN's project "CPIC Conservation Finance Initiative - scaling up and demonstrating the value of blended finance in conservation". The project aims to identify opportunities for private finance in conservation. This action is innovative for the GEF, and is welcomed with caution by STAP. Conservation finance is a nascent area that is building evidence about best practices, lessons learned, and replicability on the use of market strategies to conserve natural resources (e.g. forests, habitats, water). For the GEF, careful thinking is required to ensure that global environmental benefits remain central to the project.

Because the project is testing hypotheses and pilot testing a novel approach to financing conservation, STAP thinks that this project appears to be Targeted Research, and would benefit from an independent review by an environmental economist. The innovative semi-experimental approach would also benefit from continuing STAP involvement.

STAP recommends that IUCN address the following project design elements:

1. Describe the outcomes pathway (theory of change) so the logic between the components is understood. This includes detailing and validating assumptions. There are various underlying assumptions in the PIF about the impact of market-based solutions on conservation which need to be described.
2. Detail the baseline so it stems, and builds on, the scientific and technical evidence of conservation finance. IUCN should consider the following resource to outline the evidence on conservation finance, and to develop the project: McFarland B.J. (2018) The Future of Tropical Forest Conservation Finance. In: Conservation of Tropical Rainforests. Palgrave Studies in Environmental Policy and Regulation. Palgrave Macmillan, Cham

The baseline should detail indicators that will assess and monitor the global environmental outcomes. The project is financed by the biodiversity and land degradation GEF portfolios, indicators for both areas should be included.

3. Support incremental activities with references to scientific journals, and/or rigorous local unpublished evidence. The PIF cites several documents, but the full references are missing.

4. Assess the risks comprehensively. The risks will need to be re-assessed when the activities, and project sites, are defined. Environmental and social safeguards, or principles, used by IUCN and/or adopted by the conservation finance community should be detailed in the project document to reduce the occurrence of risks in project implementation. The International Capital Market Association's (ICMA) social, green and sustainability principles are examples of the values that the project should embrace:
<https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-social-and-sustainability-bonds/principles-membership/>

5. Focus innovation, sustainability and scalability on the hypothesis that conservation finance will contribute to the scientific knowledge of GEF interventions, and strengthen the GEF's ability to generate global environmental benefits. Currently, this section in the PIF is focused solely on the project achieving financial sustainability.

<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	<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>
3. Major issues to be considered during project design	<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>