

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 19, 2011

Screeener: Guadalupe Duron

Panel member validation by: Emmanuel Sanginga
Consultant(s):

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

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 4454

PROJECT DURATION : 4

COUNTRIES : Jamaica

PROJECT TITLE: Integrated Management of the Yallahs River and Hope River Watersheds

GEF AGENCIES: IADB

OTHER EXECUTING PARTNERS: Office of the Prime Minister (OPM) (Lead), with National Environment & Planning Agency (NEPA), Planning Institute of Jamaica (PIOJ), Forestry Department (FD), Water Resources Authority (WRA), National Irrigation Commission (NIC), Ministry of Agriculture & Rural Agricultural Development Authority (RADA),

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 revision required**

III. Further guidance from STAP

STAP welcomes the opportunity to screen the Inter-American Development Bank's (IADB) proposal "Integrated Management of the Yallahs River and Hope River Watersheds". STAP's advisory response is "Consent", and believes IADB could strengthen further the proposal by addressing STAP's comments below.

1. The problem is well defined, and clear targets were defined for the expected outputs and outcomes. However, the proposal is not sufficiently explicit on how these targets will be reached. For example, the proposal does not specify how rehabilitating 9,790 hectares of farm land (throughout 66 communities), in the upper and middle portions of the watershed, will be accomplished.
2. The proposal duly raises gender in Section B.3. However, STAP believes there are more opportunities to define the activities through a gender lens. Doing so, will likely strengthen the viability of achieving some of the expected outcomes and outputs. For example, the IADB could define how the community participatory processes for land use planning will be based on male and female land users' perspectives (Component 1).
3. The proposal is slightly unclear what ecosystem service the pilot payment scheme will implement – water, biodiversity, forestry resources? The full project proposal should define more clearly the pilot payment scheme from the on-set.
4. STAP also highly encourages the IADB to identify the potential threats to payment for ecosystem services (PES) effectiveness, and how it plans to respond to these barriers. In particular, STAP wishes to highlight the following advice, which can be found in its advisory document "Payment for Ecosystem Services and the Global Environment Facility" at www.unep.org/stap

The theory of PES is simple: the quantity of biodiversity or environmental services supplied should increase if beneficiaries, or their representatives, pay for the cost of increasing the quantity supplied (Wunder 2007; Ferraro 2008). This theory, however, is complicated by four potential threats to PES effectiveness:

A. Non-compliance with contractual conditions.

B. Poor administrative selection (i.e., contracts are offered to areas or individuals who are not in the best position to supply environmental services cost-effectively).

C. Spatial demand spillovers (also known as "leakage") whereby protecting a resource in one location pushes pressure onto resources elsewhere. Some PES programs pay for avoided ecosystem degradation or species abundance where degradation and species decline can be costly to reverse. Such programs may thus create an "option value" on resources not enrolled in the program. This value induces non-participants to protect their resources in order to preserve the option of receiving a payment in the future. Such a spillover extends the impact of a PES program, but can make evaluating the program more difficult.

D. Adverse self-selection.

The first three threats are common to most conservation interventions. Adverse self-selection, however, is unique to incentive programs and may constitute one of the largest threats to PES success. During any contract period, there are often people who would have supplied the contracted PES service or activity in the absence of a payment. This outcome is particularly likely in PES programs that pay individuals for not doing an activity, such as deforestation. People who would have engaged in the contracted activity without a payment are the most likely to participate in a PES program because they have the lowest opportunity costs. Differentiating these people from others whose behavior would be affected by PES is difficult because the actions someone would have taken in the absence of a payment is not known to the conservation payer. A poorly targeted PES program could thus end up paying largely for what would have happened anyway. Every GEF PES project proposal should describe design choices to minimize these threats and specify indicators that will permit one to evaluate the importance of these threats in the project.

5. It is unclear how traditional knowledge will be built into component 3. STAP suggests for IADB to identify the traditional practices, and define specifically how land users' knowledge will be used as a basis to develop the soil conservation interventions, as well as the inventory of good practices.

6. STAP suggests to re-word several assumptions made in the proposal, or to provide literature sources that back up the statements. For example, the proposal appears to imply that sustainable watershed management interventions, via sustainable land management and sustainable forest management, will unavoidably improve livelihoods (component 4). Nonetheless, the outcome, and success, of component four interventions will depend on a number of other factors, including on the achievement of component 1 and 3 – most notably. For this reason, STAP recommends highlighting more the inter-dependency among the different components in its rationale of achieving component 4.

7. STAP also suggests specifying further what globally important flora and fauna will be maintained through the project interventions. This is needed to specify the global environment benefit the project intends to deliver, as well as the methods that will be used to monitor it. Additionally, STAP strongly recommends to re-define the expected global environment benefit "developing land-use plans at the national and local levels which incorporate valuation of biodiversity and ecosystem services." STAP believes this is not a global environment benefit.

<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: (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.

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