

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: 10 February 2010

Screener: David Cunningham

Panel member validation by: Brian Huntley

I. PIF Information

Full size project

GEF Trust Fund

GEF PROJECT ID: 3981

PROJECT DURATION: 5 years

GEF AGENCY PROJECT ID: NI-X1005

COUNTRY: Nicaragua

PROJECT TITLE: Integrated Watershed Management in Lakes Apanás and Asturias

GEF AGENCY: IADB

OTHER EXECUTING PARTNER: ENEL, MARENA, MAGFOR, INAFOR

GEF FOCAL AREAS: Biodiversity, Climate Change

GEF-4 STRATEGIC PROGRAMS: BD- SP3 and SP5, CC-SP6

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:
Minor revision required

III. Further guidance from STAP

2. STAP notes this proposal to address biodiversity issues concurrently with a hydro-electricity system improvement loan to Nicaragua. At the core of the proposal for GEF funds is the establishment of payments for environmental/ecosystem services (PES), the development of capacity for sustainable forest management (SFM) and the establishment of new protected areas in the form of "Private Nature Reserves" and conservation of a Ramsar site.
3. A minor revision is called for to ensure that the full proposal better sets out the problem and the rationale for addressing it with what appears to be an expensive intervention in a relatively small area. The proposal should also describe in more detail the Global Environmental Benefits expected and attempt to quantify them, including the biodiversity conservation outcomes, carbon sequestration and avoided carbon emissions. As part of this, the statistics in the PIF will need to be improved and clarified, for example it refers to a 65% per annum increase in land use change from forestry to cattle production and farming, 190 ha of forest loss per year, etc - against what baselines, for what time period?
4. In relation to PES, STAP refers IADB to its PES advisory document¹ and in particular the need to describe design choices to minimize four threats to PES effectiveness and specify indicators that will permit one to evaluate the importance of these threats in the project:
 - 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 (a.k.a., general equilibrium effects, or "leakage") whereby protecting a resource in one location pushes pressure onto resources elsewhere
 - d. adverse self-selection, where people would have supplied the contracted PES service or activity even in the absence of a payment.

¹ See <http://stapgef.unep.org/resources/sg/PES> and additional notes provided to Council at [http://www.thegef.org/uploadedFiles/Documents/Council_Documents_\(PDF_DOC\)/GEF_35/C.35.Inf.12_STAP_Guidance_on_PES.pdf](http://www.thegef.org/uploadedFiles/Documents/Council_Documents_(PDF_DOC)/GEF_35/C.35.Inf.12_STAP_Guidance_on_PES.pdf)

<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.	<p>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:</p> <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 <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 revision required	<p>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.</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>