

| Part I: Project Information | | Responses |
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| GEF ID | 10219 | |
| Project Title | Development of an enabling environment for sustainable businesses based on the native biodiversity of Ecuador | |
| Date of Screening | 6-Dec-19 | |
| STAP member Screener | Rosie Cooney | |
| STAP secretariat screener | Virginia Gorsevski | |
| STAP Overall Assessment | | <p>Minor issues to be considered during project design. STAP welcomes the project entitled "Development of an Enabling Environment for Sustainable Businesses Based on the Native Biodiversity of Ecuador" by CAF. As suggested in the title, the objective of this project is to facilitate the development of businesses that sustainably use native biodiversity. While this could be pursued in a way that ensures GEBs are gained, this requires explicit pathways to positive impact to be built in. However, as the project is currently formulated, this project primarily involves simply establishing businesses based on domestication and cultivation of a broader array of taxa. This in and of itself is not a conservation gain. The project needs an explicit theory of change that shows how supporting these businesses actually leads to addressing the problems that have been identified - habitat loss and overexploitation.</p> |
| Part I: Project Information | | |
| B. Indicative Project Description Summary | | |
| Project Objective | Is the objective clearly defined, and consistently related to the problem diagnosis? | <p>Project objective is "Ecuador has basic conditions that facilitate the development of businesses that sustainably use native biodiversity". It would be preferable to formulate this objective so that it is clear that GEBs will be gained e.g. that more use of biodiversity will be come sustainable, or that biodiversity will be conserved due to sustainable-use businesses building incentives for conservation. Just expanding use (at sustainable levels) of biodiversity isn't a gain for biodiversity. It seems clear from para 4, p 14 that the inherent logic here is that where people gain benefits from biodiversity they will be more motivated to conserve it - but this logic should be reflected in the project objectives and outcomes. This is important, because ensuring that the project actually builds conservation incentives (not just use at sustainable levels) may have significant implications for how activities are structured, implemented and monitored.</p> |
| Project components | A brief description of the planned activities. Do these support the project's objectives? | Yes. |
| Outcomes | A description of the expected short-term and medium-term effects of an intervention. | |
| | Do the planned outcomes encompass important global environmental benefits/adaptation benefits? | No, this is not clear - as above, just expanding the use of biodiversity (at sustainable levels) doesn't provide GEBs. |
| | Are the global environmental benefits/adaptation benefits likely to be generated? | |

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| Outputs | A description of the products and services which are expected to result from the project. Is the sum of the outputs likely to contribute to the outcomes? | Yes |
| Part II: Project justification | A simple narrative explaining the project's logic, i.e. a theory of change. | |
| 1. Project description. Briefly describe: | | |
| 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description) | Is the problem statement well-defined? | No. The project highlights the problem of biodiversity loss due to habitat loss/overexploitation etc., and goes on to explain the problem facing biodiversity-based businesses as lack of an enabling environment. But it nowhere articulates the logical link between supporting biodiversity-based businesses and addressing habitat loss/overexploitation etc. These certainly can be linked, but the proposal focuses primarily on domesticating wild species and producing them in an ex situ context, where there is no necessary link to positive conservation outcomes. Indeed, if poorly managed this can raise a number of threats for biodiversity. Commercial use of biodiversity can be negative, neutral or positive for biodiversity under different management regimes/incentive structures, so the project description needs to clearly articulate the theory of change. This TOC needs to clearly set out how and why supporting biodiversity-based businesses will lead to addressing the identified problems for biodiversity i.e. habitat loss/overexploitation etc. The barriers should be articulated as barriers in the way of improved biodiversity outcomes, not barriers to biodiversity-based businesses, unless there has been very clear articulation of how the latter will contribute to biodiversity. From the text on p18, it seems clear how improving mortiño management would benefit biodiversity, as it could reduce unmanaged harvest/trade, but how does the trade in captive-bred frogs support wild populations? How does the caña ganadua trade support biodiversity? |
| | Are the barriers and threats well described, and substantiated by data and references? | |
| | For multiple focal area projects: does the problem statement and analysis identify the drivers of environmental degradation which need to be addressed through multiple focal areas; and is the objective well-defined, and can it only be supported by integrating two, or more focal areas objectives or programs? | |
| 2) the baseline scenario or any associated baseline projects | Is the baseline identified clearly? | The baseline given primarily focuses on green credit initiatives and baseline projects. The proposal needs to articulate the baseline in terms of the biodiversity problems to be addressed. |
| | Does it provide a feasible basis for quantifying the project's benefits? | No. |
| | Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project? | |

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| | For multiple focal area projects: | |
| | are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators; | |
| | are the lessons learned from similar or related past GEF and non-GEF interventions described; and | No - the Andean BioTrade project in particular seems highly analogous - the PIF states that it generated important lessons (p18), but doesn't state what they are. How will this project avoid any mistakes or weaknesses of that initiative? Or what worked well in that initiative that is being built on here? |
| | how did these lessons inform the design of this project? | |
| 3) the proposed alternative scenario with a brief description of expected outcomes and components of the project | What is the theory of change? | This is not clear. It is clear how the interventions will build an enabling environment for biodiversity-based businesses, but now how the latter will help reduce threats to biodiversity and conserve habitats/species. For example, p19 para 27: states that business will "sustain and enforce actions that alleviate main threats (e.g., land use change, pollution, overexploitation" - but how? Just because a business is using a new species as a resource does not mean it helps conserve biodiversity (every agricultural monoculture was once a newly domesticated species). |
| | What is the sequence of events (required or expected) that will lead to the desired outcomes? | As above - not clear. For example, in the descriptions of the three pilot supply chains on p 21, it is not clearly articulated in any of these cases how supporting this trade will assist biodiversity (as distinct from supporting sustainable livelihoods). For example, for no. 1 (mortiño) will supporting sustainable use here reduce unsustainable use? Will it divert livelihoods from more damaging activities? Will it increase local support for the protected area and cooperation with protected area staff and programs? For no 2 (frogs), will this reduce demand for wild-harvested frogs? (If so, how do you know? What is known about demand characteristics? Will this displacement of illegal trade be monitored? Can we use this same logic with bear bile, elephant ivory or rhino horn? If not why not? This is not a simple argument to make.) Or will it provide local income and thereby reduce incentives for illegal unsustainable wild harvest? Are some captive-bred frogs released to the wild (as in many river turtle captive breeding projects for the pet trade)? Will it divert livelihoods from more damaging activities? Re the captive breeding techniques, how does breeding these species help the ones threatened in the wild? And how does the raising of crickets support biodiversity? For no. 3 (bamboo), how does this help address biodiversity threats? Is the biodiversity impact through impacts of harvesting and sustainable use in Ecuador, or through corresponding reduction in use of plastics or other construction materials? See also p22, where the proposal states "At the end, these businesses will contribute to conserve valuable resources (e.g., threatened Andean frogs and agrobiodiversity).. " but how? |

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| | <ul style="list-style-type: none"> What is the set of linked activities, outputs, and outcomes to address the project's objectives? | <p>Para 34: how will the barriers be identified? Through consultation with these businesses or proponents of business ideas? In para 35 (p20), for whom are the guidelines? para 37: Is this meant to say "promising" rather than "promissory"? Para 39: its not clear why the analysis of market demand is placed within a component focused on financial mechanisms in support of biodiversity. It would appear to be more closely related to component 1. Para 40: it is noted that the biodiversity impacts of these businesses are not indicated to be a basis for financing through new green credit facilities.</p> |
| | <ul style="list-style-type: none"> Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions? | <p>The proposal states that graph 1 is attached, and may illustrate how the project addresses the barriers, but no corresponding figure is attached in the proposal.</p> |
| | <ul style="list-style-type: none"> Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes? | |
| 5) incremental/additional cost reasoning and expected contributions from the baseline, the GEF trust fund, LDCF, SCCF, and co-financing | GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits? | |
| | LDCF/SCCF: will the proposed incremental activities lead to adaptation which reduces vulnerability, builds adaptive capacity, and increases resilience to climate change? | |
| 6) global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF) | Are the benefits truly global environmental benefits, and are they measurable? | <p>The proposal states that it is in line with biodiversity focal area objective 1 "mainstream biodiversity across sectors", but it has not articulated in what ways these businesses are biodiversity-positive. Simply using currently undomesticated species as a resource for business does not constitute biodiversity mainstreaming, unless there are mechanisms built in to ensure this actually improves the status of biodiversity through e.g. reducing threats. The project states that in terms of GEF core indicators, "this project will contribute to sustain production of commercial biodiversity products in 7,000 ha. This surface corresponds to the areas where mortiño is collected and caña guadua is cultivated." But sustaining commercial biodiversity products is not indicative of conservation-friendly management. Mortiño is being collected from wild landscapes, so it seems plausible that reinforcing sustainable practices here is good for conservation, through e.g. reducing the likelihood of unsustainable harvest (although this is not spelt out anywhere), but why is land cultivated caña guadua considered "under improved management to benefit biodiversity" ? The links to Aichi Target 4 and 7 are not adequately justified.</p> |
| | Is the scale of projected benefits both plausible and compelling in relation to the proposed investment? | |
| | Are the global environmental benefits explicitly defined? | |
| | Are indicators, or methodologies, provided to demonstrate how the global environmental benefits will be measured and monitored during project implementation? | |

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| | What activities will be implemented to increase the project's resilience to climate change? | |
| 7) innovative, sustainability and potential for scaling-up | Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning? | |
| | Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors? | Case for innovation is inadequately justified. |
| | Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability? | |
| 1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place. | | |
| 2. Stakeholders. Select the stakeholders that have participated in consultations during the project identification phase: Indigenous people and local communities; Civil society organizations; Private sector entities. If none of the above, please explain why. In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement. | Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers? | Yes, it seems all relevant stakeholders are identified. |
| | What are the stakeholders' roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge? | |
| 3. Gender Equality and Women's Empowerment. Please briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis). Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes/no/ tbd. If possible, indicate in which results area(s) the project is expected to contribute to gender equality: access to and control over resources; participation and decision-making; and/or economic benefits or services. Will the project's results framework or logical framework include gender-sensitive indicators? yes/no /tbd | Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences? | Yes, to some extent, although this section is rather confusingly written and it is difficult to work out exactly what the risks to full participation and benefit for women are, and exactly how these will be addressed. |
| | Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed? | |

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| 5. Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design | Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control? | Many businesses fail for a wide variety of reasons - aren't there risks that many biodiversity businesses (including in the three pilot value chains) will be unsuccessful? With respect to climate change, it is unclear why the proposal says "natural", and it would be good to see more explicit consideration of what the specific impacts of climate change are likely to be (if there are predictions for the country), how these could affect the project, and what will be done more specifically to mitigate these potential impacts. |
| | Are there social and environmental risks which could affect the project? | |
| | For climate risk, and climate resilience measures: | |
| | · How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately? | |
| | · Has the sensitivity to climate change, and its impacts, been assessed? | |
| | · Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with? | |
| | · What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures? | |
| 6. Coordination. Outline the coordination with other relevant GEF-financed and other related initiatives | Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects? | Who will be on the technical committee (p35, para 83). Component 3 of this project establishes three pilot supply chains to generate lessons learned - but are there not already lessons learned from previous efforts, including Andean BioTrade? The PIF indicates (p17) that some businesses supported under the Andean BioTrade project have not endured - why? Do we really need more pilot programs? |
| | Is there adequate recognition of previous projects and the learning derived from them? | |
| | Have specific lessons learned from previous projects been cited? | |
| | How have these lessons informed the project's formulation? | |
| | Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects? | |
| 8. Knowledge management. Outline the "Knowledge Management Approach" for the project, and how it will contribute to the project's overall impact, including plans to learn from relevant projects, initiatives and evaluations. | What overall approach will be taken, and what knowledge management indicators and metrics will be used? | This appears sound. |
| | What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience? | |
| STAP advisory response | Brief explanation of advisory response and action proposed | |

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| 1. Concur | STAP acknowledges that on scientific or technical grounds the concept has merit. 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. | |
| | * In cases where the STAP acknowledges the project has merit on scientific and technical grounds, the STAP will recognize this in the screen by stating that <i>“STAP is satisfied with the scientific and technical quality of the proposal and encourages the proponent to develop it with same rigor. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design.”</i> | |
| 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 proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement. | |