

STAP guidelines for screening GEF projects

Part I: Project Information	Response	
GEF ID	10330	
Project Title	Wildlife Conservation Bond	
Date of Screening	21 May 2020	
STAP member screener	Rosie Cooney	
STAP secretariat screener	Virginia Gorsevski	
STAP Overall Assessment and Rating	<p>Concur</p> <p>STAP welcomes this extremely well-planned and articulated project to trial an innovative financial instrument to generate private sector financing for conservation. This project involves a very large GEF allocation of nearly \$14million, dependent on conservation success. Such an allocation for one species may be questioned. However, if the initiative is unsuccessful, the risk will be borne by private sectors investors rather than GEF. The project builds on extensive prior work. Its theory of change (TOC) is exceptionally clear.</p> <p>Areas that could be strengthened include the following: 1) identifying critical assumptions that underpin success within each TOC; 2) carrying out climate risk screening (see STAP guidance on climate risk screening; 3) increasing the ability to detect whether community engagement/livelihood measures are working through more regular information-gathering (see, for example, the Social Assessment for Protected and Conserved Areas (SAPA) Methodology); and 4) clarifying and strengthening the role of and mechanisms for boosting socio-economic contributions to local rural communities.</p> <p>Overall, STAP is pleased to see this highly innovative and experimental trial of a new financing approach for conservation.</p>	
Part I: Project Information B. Indicative Project Description Summary	What STAP looks for	Response
Project Objective	Is the objective clearly defined, and consistently related to the problem diagnosis?	Yes.

Project components	A brief description of the planned activities. Do these support the project's objectives?	Yes, these are clear, well-planned, and targeted to addressing the project's objectives. This is a highly innovative and experimental trial of a new financing approach for conservation. GEF funds are used to generate conservation-related investment returns to private investors who buy a WB-issued bond. The funds raised from investors are used for usual WB sustainable development investments, but the usual returns from these bonds are invested in conservation rather than being paid out to bond-holders. At the maturity of the bond, bondholders are paid out their principal plus a return that is calculated according to the rhino population growth rate. The risk of not achieving conservation outcomes is therefore shifted to private investors.
Outcomes	A description of the expected short-term and medium-term effects of an intervention. Do the planned outcomes encompass important adaptation benefits?	Yes.
	Are the global environmental benefits/adaptation benefits likely to be generated?	This is a novel and untested mechanism, so the outcomes are somewhat unpredictable. However, this project builds on a very strong basis of consultative planning, is very well thought-through, and appears to offer a high chance of generating the intended benefits.
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, outputs do sum to outcomes.
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	Is the problem statement well-defined?	The problem statement is well-written and generally well-referenced. However, the picture it paints of the trajectory of rhino populations is somewhat misleading – characterized by ongoing decline. In fact black rhino populations are

<p>barriers that need to be addressed (systems description)</p>		<p>thought to have been steadily increasing for approaching a decade https://www.iucn.org/news/species/202003/conservation-efforts-bring-cautious-hope-african-rhinos-iucn-red-list), albeit Covid may be changing these dynamics. Note that the population figs provided for SA on p6 are not informative unless contrasted with previous population figures, which are not given. Notwithstanding this, the point that they are seriously threatened by poaching remains entirely valid. It is rather dubious whether “The socio-economic loss from rhino poaching is not incurred by any one individual or organisation but rather the loss is disproportionately distributed to rural communities at the base of the pyramid,” given that benefits from tourism flowing to rural communities are still generally very minor. Is there any evidence for this statement? Reference is made to white rhino increases due to conservation effort – to paint an accurate picture, again, it is worth mentioning that much of this growth has been driven not by enforcement (though that is always important) but by using incentive-based approaches relying on live sales, tourism and trophy hunting.</p> <p>Given that the project involves a new investment vehicle as its primary content, it would be good to see more detailed analysis of the deficits and problems associated with current financing models, with some evidence presented to support the contention that the short term/output-focused financing model is underlying conservation underperformance. I strongly suspect this is justified, but there is work in this area that could be helpfully cited.</p>
	<p>Are the barriers and threats well described, and substantiated by data and references?</p>	<p>Barriers are not particularly clear, but threats are reasonably well described in general terms,</p>

		although more information on the threats at the target sites would be welcome.
	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?	Yes.
	Does it provide a feasible basis for quantifying the project's benefits?	Yes
	Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project?	Yes
	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	The project builds directly on a past intervention with GEF funding that laid the groundwork for this. In this sense very direct lessons from previous work are informing this.
	how did these lessons inform the design of this project?	See above.
3) the proposed alternative scenario with a brief description of expected outcomes and components of the project	What is the theory of change?	A clear overall TOC is presented, along with subsidiary TOCs for each key theme. They remain fairly high-level and simple but are clear and logical. This is a very welcome layout of the TOC and considerably adds to clarifying the logical structure of the project. Separating out aspects like policy interventions into the enabling environment is a useful way to simplify the TOC while making the importance of such interventions to overall project success clear. The TOC is rather unclear as concerns local community engagement – one outcome is more supportive neighbors, but

		what are the interventions within enabling conditions intended to achieve? The link to land security is unclear.
	What is the sequence of events (required or expected) that will lead to the desired outcomes?	These are clearly laid out and explained.
	What is the set of linked activities, outputs, and outcomes to address the project's objectives?	<p>These are very clear, laid out in admirably succinct language in the various TOCs. Re component 1a/b, repeating SAPA only in Year 1 and Year 5 seems inadequate – this gives the project no time to change/react if their interventions are not having the desired impact for community outcomes. It makes adaptive management of this component impossible, as by the time the project learns that this element is not working (should that be the case) the project has ended. Given the importance of community benefits, STAP recommends carrying out some level of information-gathering on the impacts of the intervention on communities much more regularly – annually or at least every two years.</p> <p>Re component 1b, does this mean rhino populations in Fish River are already at carrying capacity, and the intervention is aimed at growing the population in order to move it out into other reserves? How will be they secured in these other reserves, and is the success payment based on their success across all these reserves?</p> <p>Re the Economic Analysis, it is really unclear how the project aims to benefit local communities. Is this all to be developed through the SAPA Action Plan? Just hoping that local jobs will be increased due to possible tourism increases seems very weak.</p> <p>In the economic analysis here, much is made of the general importance of tourism to SA without any information on how much tourism currently contributes to incomes of local rural communities. How much do the parks currently contribute to</p>

		local community livelihoods, and what is the intended outcome contribution of this project? If a quantitative outcome is impossible, at least a qualitative one would be helpful. Monitoring indicates number of co-beneficiaries will be tracked, but how are the benefits generated and how do these benefits contribute to the project objective?
	Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?	The mechanisms of change are plausible. Underlying assumptions are not clearly identified, and the project would be strengthened by addressing these. Each step in each TOC may be underpinned by assumptions and these good outline TOCs would allow critical ones to be articulated (and monitored).
	Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?	No, this is not particularly clearly articulated and could be strengthened..
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?	Yes
	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/adaptation benefits, and are they measurable?	Yes
	Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?	The only concern here is whether a single species justifies a GEF investment of up to almost \$14m. This is payment for achieved conservation success,

		rather than the possibility of it, yet it remains a very large sum to be channelled to one species.
	Are the global environmental benefits/adaptation benefits explicitly defined?	Yes
	Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?	Yes, outstandingly clear (apart from the question of rhinos moved out of Fish River, which is hard to understand).
	What activities will be implemented to increase the project's resilience to climate change?	No measures are specified.
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?	This is a highly innovative and experimental trial of a new financing approach for conservation. GEF funds are used to generate conservation-related investment returns to private investors who buy a WB-issued bond. The funds raised from investors are used for usual WB sustainable development investments, but the usual returns from these bonds are invested in conservation rather than being paid out to bond-holders. At the maturity of the bond, bondholders are paid out their principal plus a return that is calculated according to the rhino population growth rate.
	Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?	Yes, this is clear and groundwork done.
	Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?	This aims for transformational change.
1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place.		Provided.
2. Stakeholders. Select the stakeholders that have participated in consultations during the	Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?	Yes this appears well done.

<p>project identification phase: Indigenous people and local communities; Civil society organizations; Private sector entities.</p> <p>If none of the above, please explain why.</p> <p>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.</p>		
	<p>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?</p>	<p>This is clear.</p>
<p>3. Gender Equality and Women's Empowerment.</p> <p>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.</p> <p>If possible, indicate in which results area(s) the project is expected to contribute to gender equality: access to and control over resources;</p>	<p>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</p>	<p>Yes.</p>

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		
	Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?	
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	<p>Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control?</p> <p>Are there social and environmental risks which could affect the project?</p> <p>For climate risk, and climate resilience measures:</p> <ul style="list-style-type: none"> • 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? 	There does appear to be any climate risk screening – STAP recommends this is carried out at an early stage of project development.
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?	Yes
	Is there adequate recognition of previous projects and the learning derived from them?	Yes
	Have specific lessons learned from previous projects been cited?	Yes
	How have these lessons informed the project's formulation?	Yes

	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?	Yes
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?	Very clearly laid out
	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	

Notes

STAP advisory response	Brief explanation of advisory response and action proposed
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.
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