

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: 3 March 2008

Screener: Guadalupe Duron

Panel member validation by: Paul Ferraro

I. PIF Information

GEFSEC PROJECT ID:

GEF AGENCY PROJECT ID: 3882

COUNTRY: Colombia

PROJECT TITLE: Mainstreaming biodiversity in the coffee sector in Colombia

GEF AGENCY: UNDP

OTHER EXECUTING PARTNERS: The Colombian Coffee Federation (FNC), The Von Humboldt Institute, Regional Autonomous Corporations, Rainforest Alliance and Fundación Natura

GEF FOCAL AREAS: Biodiversity

GEF-4 STRATEGIC PROGRAM: Biodiversity - SO2 (To mainstream biodiversity in production landscapes/seascapes and sectors), SP5 (Fostering markets for BD goods and services).

Full size project GEF Trust Fund

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(ies):
Consent

III. Further guidance from STAP

2. STAP welcomes the proposal "Mainstreaming biodiversity in the coffee sector in Colombia". The use of control farmers is particularly innovative and desirable and the STAP encourages the project proponents to consider the selection of these control farmers carefully. Given that municipal-level capacity is also targeted, the project should also consider the selection of control municipalities, if feasible. STAP would be available to provide specific advice on designing control groups.

One weakness of the proposal is that its primary assumption about the barriers to PES is one of capacity, at both the farmer and the municipal level. The proposal implicitly assumes that should capacity be strengthened sufficiently, the incentives for making the payments exist to take advantage of that capacity. However, the assumption is testable and the project seems ready to test it formally.

A more significant weakness of this proposal (as with most PES proposals) is the failure to mention how the payment levels for any pilot PES program will be determined (e.g., bargaining, models of average returns, surveys, pilot incentive-compatible auctions, etc.). PES experience in Costa Rica and Mexico shows that the failure to adequately consider proper determination of the payment level leads to an undesirable combination of excessive payments over and beyond what landholders are willing to accept and a lack of additionality as landholders who sign up are predominantly landholders who did not intend to change their land use practices. Such attributes seriously reduce the cost-effectiveness of PES as a conservation investment. These attributes are particularly likely in initiatives, like the proposed one, that pay landholders largely for maintaining current practices. As the proposal is further developed, careful consideration should be given to how the appropriate payment levels will be determined. STAP is prepared to assist the project proponents on this issue, if requested.

STAP also suggests that UNDP consider the following as the proposal is further developed -

1. Specify the methods the project will use to monitor the biodiversity benefits and carbon sequestration outcomes. At the moment, the methods and baselines are stated briefly as outputs to "strengthened capacities of municipalities to advance landscape based planning." However, STAP believes that further consideration needs to be given to defining a baseline and detailing further earlier on, and as part of the project design, proposed methodologies to measure and track global benefits. Within this context, it will also be important to consider the challenges of estimating accurately the carbon stocks from reforestation and the planted shade trees.

2. On payment for ecosystem services, the proposal could be more clear about how these will be developed - accounting for the various social, economic and, potentially, political scenarios in the municipalities (and stakeholders), how the payments will be distributed to coffee farmers, and how the project's PES efforts will be tied to government policy and regulations on the use and management of water, land, forest, etc.

<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. 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.