

# 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: May 07, 2015

Screener: Thomas Hammond

Panel member validation by: Anand Patwardhan  
Consultant(s):

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

**FULL SIZE PROJECT    GEF TRUST FUND**

**GEF PROJECT ID:** 9072

**PROJECT DURATION :** 4

**COUNTRIES :** Global

**PROJECT TITLE:** Taking Deforestation Out of Commodity Supply Chains (IAP-PROGRAM)

**GEF AGENCIES:** UNDP, World Bank and WWF-US

**OTHER EXECUTING PARTNERS:**

**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):  
**Concur**

### III. Further guidance from STAP

STAP welcomes this innovative and comprehensive initiative to address the impact of agricultural commodity production, particularly related to soy and palm oil production in the tropics, on deforestation. STAP looks forward to participating in the formal design of the Program over the coming year, and future implementation particularly in the context of the adaptive management and learning component of the Program.

The Program reviewed is well conceived, outlining a complex, multi-faceted approach, with a clear rationale, a logical theory of change which, as well as an approach to ongoing assessment and results management which is measurable and attainable. The central challenge of deforestation linked to growing commodity production that will be addressed along with the expected contribution this will entail to global environmental benefits is well defined. The Commodities IAP outlines a strategy which involves working closely with commodity producers at multiple scales, manufacturers, financiers, and buyers of key agricultural commodities "along with government regulators. The Program is evidenced based and data driven. Ultimately progress towards ensuring that commodity production takes place without driving deforestation will, of course, require data derived from multiple sources that are independently verifiable. Some of these data collection tools, such as the use of Normalized Difference Vegetation Index (NDVI) and land cover/land use data, have been refined over many years of study and application. These data sources will be blended with equally important data derived from ground verification, manufacturer data, and purchasing data.

Part of the innovation outlined in this Program is the balance between demand-side and supply-side initiatives in this domain. On the demand side in particular, interventions will range across procurement policies, government regulations, bilateral agreements between consumer and producer countries, leveraging the unique role of industry associations in driving change, establishment of new licensing systems, introduction of new legislation controlling illegal deforestation, and due diligence requirements on industry to prove that commodities stem from legal sources. With regard to the engagement of financial institutions, STAP would recommend that the Program actively seek to contribute to emerging global efforts to benchmark the success of financial firms with regard to deforestation risk exposure in their portfolios.

Finally, an additional useful contribution of this initiative would be to support the ongoing development of natural capital accounting tools at national level. In turn, this would also contribute to assessing credit risk and asset exposure in the agri-sector and commodities markets (which could potentially result in "stranded" assets). The WAVES program is cutting edge in this domain, and the GEF IAP could build on this experience. The use of natural capital accounting tools is underscored in the GEF 2020 Strategy, and STAP

has seen growing indications that these approaches are being progressively mainstreamed in GEF project planning and strategies in natural resource management.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
<b>1. Concur</b>	<p>In cases where STAP is satisfied with the scientific and technical quality of the proposal, a simple “Concur” response will be provided; the STAP may flag specific issues that should be pursued rigorously as the proposal is developed into a full project document. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design prior to submission for CEO endorsement.</p>
<b>2. Minor issues to be considered during project design</b>	<p>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:</p> <p>(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.</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>
<b>3. Major issues to be considered during project design</b>	<p>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:</p> <p>(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.</p> <p>The GEF Secretariat may, based on this screening outcome, delay the proposal and refer the proposal back to the proponents with STAP’s concerns.</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>