

STAP guidelines for screening GEF projects

Part I: Project Information	Response
GEF ID	10501
Project Title	IFC-GEF Greener Shipping Investment Platform
Date of Screening	May 15, 2020
STAP member screener	Saleem H. Ali
STAP secretariat screener	Sunday Leonard
STAP Rating	Concur
STAP Overall Assessment of the project proposal	<p>STAP welcomes the IFC-GEF Greener Shipping Investment Platform project, which aims to create a technology-agnostic, private-sector driven platform as a financing vehicle to accelerate the creation of a global fleet of green, low-carbon ships. This is an unusual and ambitious project which brings GEF in as an investor in a greening strategy for world shipping interests. There is an impressive cadre of private sector players who have been assembled by the IFC, and the detailed project description provides an adequate justification of the project rationale and impact trajectory.</p> <p>It is good that the project seeks to address greenhouse gas emissions from a sector that desperately needs to transform its emissions trajectory and contribute its share to fighting global warming. As accurately captured in the proposal, without action, emissions from international shipping could grow substantially by 2050 - to up to 17% of global emissions according to European Parliament (European Union, 2015: https://www.europarl.europa.eu/RegData/etudes/STUD/2015/569964/IPOL_STU(2015)569964_EN.pdf).</p> <p>Addressing emissions in the shipping sector is also crucial because of its role in air pollution with associated public health and other socio-economic effects. Shipping is a major source of nitrogen oxides (NOx) - 15% of global emissions, sulfur oxides (SOx) - 13% of global emissions, and particulate matter, including black carbon – which doubles as a very potent climate forcing agent. Shipping-related fine particulate matter is linked to an annual premature death of about 60,000 globally (Corbett et al., 2007: https://pubs.acs.org/doi/full/10.1021/es071686z).</p> <p>Given STAP guidelines, the proposal should consider developing a "theory of change" that captures the drivers and root causes, key assumptions, planned interventions, causal pathways, and outcomes. Please see STAP's theory of change primer for further guidance on theory of change preparation (https://stapgef.org/sites/default/files/publications/STAP%20ToC%20Primer_webposting.pdf).</p> <p>On the selection of technologies, STAP recommends that it should be ensured that selected technologies for investment should address air pollution, climate change, and public health in an integrated manner. Synergies and trade-offs should be considered in a balanced way. For example, technologies to reduce SOx and NOx emissions from shipping (including low sulfur fuel) will provide air pollution benefits but could lead to increased warming because of the reduction in atmospheric cooling effects of SOx and NOx</p>

(see Sofiev et al., 2018: <https://www.nature.com/articles/s41467-017-02774-9>; Fuglestedt et al. 2009: <https://pubs.acs.org/doi/full/10.1021/es901944r>; and Eyring et al. 2010. <https://doi.org/10.1016/j.atmosenv.2009.04.059>). The International Council on Clean Transportation has been engaged in the debates on greening the shipping sector. It has several resources that might be useful in this regard, see, for example (https://theicct.org/publications/30?combine=Shipping&date_filter%5Bvalue%5D%5Byear%5D=&taxonomy_vocabulary_7_tid=All&taxonomy_vocabulary_1_tid=All).

It is excellent that the co-benefits of the project were recognized, and STAP encourages that the benefits to other focal areas of the GEF, including international waters, should be appropriately accounted for during project implementation. The IFC carbon accounting method is noted for calculating carbon, and a range of other pollution abatement metrics are also noted in terms of global environmental benefits.

Table 2 of the PID presents an indicative environmental benefit aggregated by pollutant types. It is observed that black carbon – a very potent air pollutant and climate forcing agent is missing. Black carbon accounts for 21% of CO₂-equivalent emissions from ships, making it the second most important driver of shipping's climate impacts after carbon dioxide (https://theicct.org/sites/default/files/publications/Global-Marine-BC-Inventory-2015_ICCT-Report_15122017_vF.pdf). We recommend that the benefits from black emissions reduction from the project should be included as the proposal is developed further. This will ensure that the overall climate benefits from the project is adequately accounted for.

It is encouraging that the proposal already has the support of the IMO, given their leading role in regulating the shipping sector and preventing marine and atmospheric pollution by ships. There is also good linkage provided with IMO and the shipping industry's "Poseidon Principles" on climate change mitigation in the sector. This engagement should continue throughout the project to ensure that the outcomes of the project can translate to solutions that can be embraced by the IMO Members States.

Since one of the stated outputs is a "flagship" publication on the sector's greening, the lead agencies should consider this important review paper published in 2018 and continue to work with leading academic partners on this topic once the project commences: Shi et al., 2018. Evolution of green shipping research: themes and methods. Maritime Policy & Management 45, 863–876. <https://doi.org/10.1080/03088839.2018.1489150>.

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 – some more details could be provided, but it is a 10 year project and hence lots of uncertainties.
Outcomes	A description of the expected short-term and medium-term effects of an intervention. Do the planned outcomes encompass important global environmental benefits?	"Accelerated investment" is noted as an outcome. This may need to be unpacked in terms of how the investment will actually lead to output.
	Are the global environmental benefits/adaptation benefits likely to be generated?	Yes
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?	See above
Part II: Project justification	A simple narrative explaining the project's logic, i.e. a theory of change.	Yes
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?	Yes but should refer a bit more to literature on topic (attaching a review article)
	Are the barriers and threats well described, and substantiated by data and references?	Yes provided in good detail
	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?	Not applicable
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?	

	For multiple focal area projects:	Not applicable
	are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators;	Not applicable
	are the lessons learned from similar or related past GEF and non-GEF interventions described; and	New area
	how did these lessons inform the design of this project?	Not applicable
3) the proposed alternative scenario with a brief description of expected outcomes and components of the project	What is the theory of change?	No noted and should be considered from the point of view of how market-based approaches and investments can lead to sustained change.
	What is the sequence of events (required or expected) that will lead to the desired outcomes?	See above
	What is the set of linked activities, outputs, and outcomes to address the project's objectives?	See above
	Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?	See above
	Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?	Yes
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 – though the role of these interventions on oceanic pollution could be described in more detail.

	Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?	Yes
	Are the global environmental benefits/adaptation benefits explicitly defined?	Indirectly
	Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?	IFC methodologies are referenced for carbon calculations as well as for a range of other pollution abatement benefits.
	What activities will be implemented to increase the project's resilience to climate change?	Port inundations due to sea level rise may impact shipping sector but no direct impact on the green shipping vessels themselves.
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?	Yes, the public-private partnership model has innovative features
	Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?	Considering this is a ten year project there is considerable scaling up potential which will be calibrated as project progresses.
	Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?	Possibly as technologies change rapidly in this domain.
1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place.		Specific shipping routes could be noted in a map.
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.	Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?	Yes

<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>Noted</p>
<p>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</p>	<p>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</p>	<p>The IMO's gender equity effort in shipping sector is noted.</p>
	<p>Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?</p>	<p>No</p>

<p>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>	<p>Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control? Are there social and environmental risks which could affect the project? 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? 	<p>A range of financial investment risks are noted. IFC should also consider partnering with MIGA in terms of risk mitigation strategies.</p>
<p>6. Coordination. Outline the coordination with other relevant GEF-financed and other related initiatives</p>	<p>Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?</p>	<p>Previous IFC projects on energy financing are noted as examples and also a linkage to GEF International Waters program – though specific project connections could be made further</p>
	<p>Is there adequate recognition of previous projects and the learning derived from them?</p>	<p>No</p>
	<p>Have specific lessons learned from previous projects been cited?</p>	<p>No</p>
	<p>How have these lessons informed the project's formulation?</p>	<p>No</p>
	<p>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?</p>	
<p>8. Knowledge management. Outline the "Knowledge Management Approach" for the project, and how it will contribute to the project's overall impact,</p>	<p>What overall approach will be taken, and what knowledge management indicators and metrics will be used?</p>	<p>The partnerships with the high level panel on oceans and Friends of the Ocean could assist with knowledge management.</p>

including plans to learn from relevant projects, initiatives and evaluations.		
	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	See above.

Notes

STAP advisory response	Brief explanation of advisory response and action proposed
<p>1. Concur</p>	<p>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.</p>
	<p>* 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></p>
<p>2. Minor issues to be considered during project design</p>	<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;</p>
	<p>(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>

<p>3. Major issues to be considered during project design</p>	<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. 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>