



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9695		
Country/Region:	Regional (Mongolia, Philippines)		
Project Title:	GEF GOLD Mongolia-Philippines: Contribution Towards the Elimination of Mercury in the ASGM sector From Miners to Refiners		
GEF Agency:	UNIDO and UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Chemicals and Waste
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CW-2 Program 4;		
Anticipated Financing PPG:	\$300,000	Project Grant:	\$11,700,000
Co-financing:	\$48,208,145	Total Project Cost:	\$60,208,145
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Anil Sookdeo	Agency Contact Person:	Ludovic Bernaudat

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹		
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?		
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability,		

¹ For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

² Need not apply to LDCF/SCCF projects.

PIF Review			
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	market transformation, scaling, and innovation?		
	4. Is the project designed with sound incremental reasoning?		
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?		
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?		
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• The STAR allocation?		
	• The focal area allocation?		
	• The LDCF under the principle of equitable access		
	• The SCCF (Adaptation or Technology Transfer)?		
	• Focal area set-aside?		
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MO December 14, 2016 The PPG is within the allowed limits and it recommended for CEO approval. The parent PFD was approved by Council October, 2016.	
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	The project is similar to the PIF.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	<p>The ASGM Fund under component 2 is not very clear. It seems that the financial mechanism is being called the "ASGM Fund" but this could include revolving fund, risk sharing facility, or leasing vehicle in each country which won't be determined until implementation, correct? Will there be training for miners to access the "ASGM Fund" set up in each country? The social enterprise business model is not clear, can more information be provided on what this is and how it will work? The ASGM sourcing tool is also not clear. The need to establish a link between producers and buyers is clearly needed, but what will the actual "tool" created be?</p> <p>Under component 3 the GEF funds cannot be used to directly pay for public health programs, this important aspect should be supported through co-financing.</p>	The workable financial mechanism will be developed in collaboration with government and financial partners (including regional or national banks) and will require relatively clear business models for ASGM operations that will allow the risk profile of loans and other financial mechanisms to be elaborated in order to allow the quantitation of financing elements such as interest rates, amortization periods, repayment options (open or closed loans) to be performed. The ASGM fund will almost certainly utilize or at least consider elements from all the three of the main generic financial mechanisms: revolving fund, risk sharing facility, leasing mechanism. The dispersal of funds however will need to be tied to the business models that miners and communities develop in collaboration with the project and present to the financial institute(s) that will manage the ASGM fund. These may be a variation of the 2kg model or the hub and spoke model or a new model that is created through the project. Training for miners in each country is paramount to providing access to financial resources and will be carried out

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		<p>Mar 1 2018 (AS) - In the response there is a lack in the level of detail that is expected at this stage in the project cycle. There is an expectation that discussions with banking institutions, conditions for setting up the fund etc would have been explored at the PPG stage.</p> <p>In the response the proponents indicate that AGC materials will be used for training etc. It would be a useful if these be evaluated by the global child and also use material from a variety of sources that have demonstrated best practice. As the executing agency for the project it would be a conflict if only AGC materials were used. The same goes for the social enterprises. While this is one model the project needs to use what works best for the countries and the proponents need to articulate this better in the project document. On blockchain, the global child will conduct research on this mainly to look at its applicability to the ASM sector and country child projects should vet any application before it is implemented particularly on the cost implications to the supply chain.</p> <p>Finally on the response on the public</p>	<p>perhaps utilizing some of the training materials already being deployed by the AGC (APEC Mining Task Force business training project for example). The feedback from those trainings will be used to refine the financial mechanism to maximize access. The social enterprise dedicates a portion of its profits towards expanding its social service, in this case improving the conditions of artisanal miners and eliminating their use of mercury. There are several models for the structure of a social enterprise such as the CIC, B and C3 corporations [CIC=Community Interest Company, a UK system for social enterprises that want to use their profits and assets for the public good; B Corp = a for-profit company certified by the non-profit B Lab to meet standards of social and environmental performance, accountability, and transparency; C3 (Community Contribution Company) a Canadian social enterprise system that features a 40% cap on dividends paid out to investors to enable more capital to remain within the social enterprise and to flow unfettered to qualified entities like charities. The C3 has social cultural or environmental reporting and governance requirements]. If any of these should be used outright or a modified version should be custom fit to the national contexts and laws needs to be determined in collaboration with government partners. The ASGM sourcing tool is a system of tracking gold from mine to market that brings a sufficient level of transparency to the supply</p>

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		<p>health finance, we do not accept the assertion that funding from the GEF should be used for these purposes. The NAP provides funding to develop the strategy and the expectation is that the health sector of the country will cover the costs of implementation. The GEF GOLD program will reduce the health impacts by reducing mercury use, however parallel funding should be used to ensure that awareness etc beyond the NAP funding is done.</p> <p>Comments not cleared.</p> <p>June 15 2018 (AS) - Comments addressed and appropriate revisions have been made to the project document - Comments cleared.</p>	<p>chain to allow international buyers such as refineries to source the gold from the ASGM communities with confidence that it meets London Good Delivery or other appropriate standards. The "tool" will utilize a mix of technologies such as databases and mass balances and potentially chemical marking and blockchain transaction security to provide the needed due diligence to bring confidence to the market about the source and production methods of the gold produced under the project. This will be developed in collaboration with government and industry partners such as Argor Heraeus and will be tested through gold sales.</p>
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	Yes.	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)	Yes, risks are considered.	
	5. Is co-financing confirmed and evidence provided?	Yes, co-financing is confirmed and has increased significantly since PIF.	

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	6. Are relevant tracking tools completed?	Yes.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	NA	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	Yes the project will coordinate with other country initiatives and the GEF GOLD program.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	Yes.	
	10. Does the project have descriptions of a knowledge management plan?	Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC		
	• STAP	Please provide information on how STAP comments were addressed.	
	• GEF Council	Please add a section on how council comments were addressed.	
	• Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?	Not at this time, several issues need to be addressed. Mar 1 2018 (AS) - Comments are not satisfactorily addressed. Please revise the document and resubmit	

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

CEO endorsement Review

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		<p>before a recommendation can be made.</p> <p>June 15, 2018 (AS) - CEO endorsement is being recommended</p>	
Review Date	Review	January 23, 2018	
	Additional Review (as necessary)	March 01, 2018	
	Additional Review (as necessary)	June 15, 2018	