GEF-8 FSP Review Sheet CEO Endorsement

TABLE OF CONTENTS

I. BASIC PROJECT INFORMATION 3

II. CEO REVIEW SHEET 3

1. General Project Information 3
2. Project Summary 4
3. Project Description Overview 4
4. Project Outline 6
5. Project Description 7
6. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities 13
7. Policy Requirements 14
8. Annexes 14

III. ADDITIONAL ANNEXES 19

9. GEFSEC Decision 19

I. Basic Project Information

Project Title		
Greening of the Philippines cement and construction industry		
Type of Project	GEF ID	
FSP	11707	
Country(ies)	GEF Agency(ies):	Agency ID
Philippines	UNIDO	UNIDO: 230234
Date received by PM	Review completed by PM	
6/1/2026	10/3/2026	
GEF Focal Area (s)	Program Manager	
Multi Focal Area	Anil Sookdeo	

II. CEO Review Sheet

1. General Project Information

a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat Comments at CEO Endorsement Request

a) Yes, broadly. The table is complete and Clean Air Asia is proposed as Project Executing Entity based on its technical capacity and the OFP endorsement, with the Department of Trade and Industry as lead agency chairing the Steering Committee. Please note that the HACT micro-assessment of the executing entity is reported as being finalized in June 2026; its satisfactory completion should be confirmed before the execution agreement is signed and funds are disbursed.

Sept 30, 2026 - comment cleared

Agency Response

Yes, the HACT micro-assessment of Clean Air Asia was completed in June 2026 with an overall low risk assessment. This has been revised in the CEO endorsement, paragraph 340.

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat Comments at CEO Endorsement Request

No. CCM scored 0: inconsistent with CI6 target. The project sets a 1,000,000 tCO2e direct GHG mitigation target under CI6. Scoring CCM as 'No Contribution' is irreconcilable with this figure. If GHG mitigation is a deliberate objective embedded in project design, then CCM must be scored at minimum 1 (Significant Objective); a score of 2 would be justified if GHG reduction is central to the technology demonstration components. Please revise the marker accordingly.

Sept 30, 2026 - comment cleared

Agency Response

CCM has been revised to 1 because GHG mitigation is a deliberate objective embedded in the project design.

2. Project Summary

a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?

b) Does the summary capture the essence of the project and is it within the max. of 250 words?

Secretariat Comments at CEO Endorsement Request

a) Mostly. The summary covers the problem, strategy and expected results. Two corrections: (i) the statement that cement production contributes 'an estimated 2,220 tons of mercury emissions annually, equivalent to about 11% of global anthropogenic mercury emissions' is factually incorrect; 2,220 tons is the estimated total of global anthropogenic mercury emissions, of which cement accounts for roughly 10 to 11 percent (about 230 tons per year); please correct here and in paragraph 3 of the rationale, and verify the figures cited for steel and glass; and (ii) the summary states 2.0 tons of mercury over 5 years while the methodology describes 0.4 tons per year over four years; please align the accounting period.
b) No. The summary is approximately 276 words; please shorten to 250 words or fewer.

Sept 30, 2026 - comment cleared

Agency Response

a(i) Corrected in project summary and in paragraph 3 of the rationale. Steel and glass references have been deleted due to the focus of the project being on cement and construction.

a(ii) Aligned with Core Indicator table.

b) Shortened to below 250 words

3. Project Description Overview

a) Is the project objective statement concise, clear and measurable?

b) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?

d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat Comments at CEO Endorsement Request

a) The objective is clear and measurable through the core indicators. Please correct the typographical error ('Philippine's' should read 'the Philippines'').

b) Not applicable. This is not a child project under a program.

c) Partially. (i) under Component 1, several outputs describe activities (policy reviews, assessments) or desired end states (strengthened traceability) rather than tangible deliverables; please define the specific outputs (strategies, regulations, standards, guidelines, MRV systems, certification schemes), clarify their legal or institutional status, and indicate whether the project supports regulatory adoption and implementation

(preferred) or only preparation of drafts, explaining in the latter case how barriers to endorsement, adoption and enforcement will be addressed; please also clarify the level of ambition, policy milestones, implementation timeline and expected contributions to mercury and GHG reductions, demonstrating consistency with the NDC and net-zero ambitions; (ii) under Component 2, clarify how Output 2.1.1 builds on the Component 1 frameworks, redefine outputs framed as activities or outcomes into concrete deliverables, and improve the results chain; and (iii) align activities under their respective outputs and remove overlap between outputs, outcomes and activities across the logframe. In addition, the M&E section is labeled Outcome 4.3 but its outputs are numbered 4.2.1 to 4.2.3, duplicating the Component 4 output numbers; please renumber.

d) Yes. Gender (Output 1.1.5 and the Gender Analysis and Action Plan), knowledge management (Outcomes 4.1 and 4.2) and M&E (USD 186,000 including MTR and TE) are included and budgeted.

e) Yes. PMC is 4.76 percent of GEF financing and 4.76 percent of co-financing, which is proportional.

f) Yes. PMC of USD 294,890 is 4.76 percent of the GEF grant, below the 5 percent FSP ceiling. No justification is required.

Sept 30, 2026 - comment cleared

Agency Response

i a) Corrected

b) N/a

c) (i) Following consultations with DTI we did the following revisions:

1) Outputs have been revised to describe tangible deliverables (in project description overview, throughout the document, workplan, logframe)

2) A table in paragraph 186a has been added to clarify their legal or institutional status, indication of project support (which will be implementation), how barriers will be addressed; and level of ambition, policy milestones, implementation time and expected contributions to mercury and GHG reductions. C (ii) Included in paragraph 190 : Output 2.1.1 builds directly on the enabling frameworks developed under Component 1. The policy and regulatory review, mercury monitoring and control framework, low-impact building standards, materials traceability framework, and gender assessment generated under Outputs 1.1.1- to 1.1.5 provide the evidence base and enabling conditions for the development of the policy reform cement roadmap. The roadmap consolidates these policy, regulatory, technical and market dimensions into a long-term sector transformation pathway, identifying priority technologies, financing needs, investment opportunities and implementation milestones toward a low-mercury and net-zero cement sector. In this way, Component 1 establishes the enabling environment, while Output 2.1.1 translates these frameworks into a strategic roadmap for investment and implementation.

In addition, Outputs 2.1.3 and 2.1.4 have been reformulated as tangible deliverables rather than activities. Activities have been aligned under their respective outputs to better reflect the causal logic of the component. The revised structure clarifies that Component 2 focuses on business development, market transformation and investment readiness, while Component 3 focuses on technology demonstration and Component 4 on capacity building and knowledge management. This reduces overlap and strengthens the coherence of the overall results framework

With the above the logic would be the following:

- **Output 2.1.1** = Roadmap developed

- **Output 2.1.2** = Incentive/business model framework developed
- **Output 2.1.3** = Partnership platform established
- **Output 2.1.4** = Bankable investment pipeline developed

Current output	Proposed revision	Relevant activities
2.1.2. Business model incentives for private sector investment and green jobs creation in the construction industry	2.1.2. Business model and incentive framework for low-mercury and low-carbon investments developed.	No change
2.1.3. Business to business events to exchange best practices and establish linkages for technology transfer and cooperation	2.1.3. Industry partnership and technology transfer platform established to facilitate cooperation, knowledge exchange and uptake of low-mercury and low-carbon solutions in the cement and construction sector.	Activity 2.1.3.1. Conduct business-to-business (B2B) events, industry roundtables, investment mission, and other industry promotion activities showcasing cement and construction-related technologies and innovations Activity 2.1.3.2- Industrial linkage for an industrial waste exchange initiative for fly-ash producers and cement manufacturers. - Activity 2.1.3.3- Development of digital platforms for circular materials exchange
2.1.4. Connecting with development banks to support bankable investments for green construction practices and products	2.1.4. Pipeline of bankable investment opportunities and financing partnerships for green construction practices and products developed.	Activity 2.1.4.1. Financial awareness on available environmental finance portfolios and technical assistance for loan applications Activity 2.1.4.2. Investment opportunities development for alternative and secondary raw materials

(iii) Logframe has been updated, as indicated above, and also in the document text.

M&E section has been renumbered.

4. Project Outline

A. Project Rationale

a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?

b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?

c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat Comments at CEO Endorsement Request

a) Broadly yes. The rationale covers global and national drivers, the construction market outlook, climate vulnerability and the baseline. Two improvements: (i) correct the mercury statistics as noted under the Project Summary; and (ii) several sectoral statistics (for example construction accounting for 23 percent of global air pollution, 40 percent of drinking water contamination and 50 percent of landfill waste) rest on weak sources; please replace or qualify them with authoritative references.
b) Yes. Government agencies, LGUs, industry (CeMAP, Republic Cement, Taiheiyo Cement), academia and civil society are described, and the private sector is engaged both as stakeholder and as a significant co-financier.
c) Not applicable. This is not an NGI project.

Sept 30, 2026 - comment cleared

Agency Response

ai) Mercury statistics have been corrected.

aii) Sectoral statistics have been updated with available literature.

5. Project Description

a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?

b) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

c) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?

d) Are the global environmental benefits and/or adaptation benefits identified?

e) Other Benefits: Are the socioeconomic co-benefits resulting from the project at the national and local levels sufficiently described?

f) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?

g) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?

h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?

i) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?

j) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?

l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat Comments at CEO Endorsement Request

a) Yes, in general. The ToC is structured around people, processes and systems and four change levers, with assumptions and risks stated. However, per the secondary program manager review, the results chain should be streamlined so that outputs are tangible deliverables, outcomes reflect the changes those deliverables produce, and the causal linkages across Components 1 to 4 are explicit.
c) Yes. The design builds on the UNIDO Construction Industry Roadmap work, the Brazil GEF cement mercury project, GCCA and GlobalABC tools, and national programs.
d) Partially. For Component 3, please provide clear selection criteria for the demonstration projects (technical, economic, environmental, replicability and scalability considerations) and explain how pilots will be informed by and linked to the policy, regulatory, financing and capacity-building interventions under Components 1 and 2 (this also responds to STAP Comment 1); for Component 4, clarify how knowledge management, monitoring, stakeholder engagement and replication activities will support implementation and scaling of the results of Components 1 to 3.
e) Yes for mercury, where the methodology is commendably transparent, including the candid acknowledgment that the 0.4 t/yr target requires sector-wide uptake equivalent to 10 to 15 percent of national production. Please clarify how direct pilot-level reductions and policy-driven consequential reductions will be attributed and reported under Core Indicator 9. For CO2, per the secondary program manager review, please provide transparent GHG calculations with assumptions, methodologies, baselines and emission factors, linked to the specific technologies and demonstration pilots under Component 3; the current one-paragraph derivation from the mercury target is not sufficient.
f) Yes, confirmed, although the description of socio-economic benefits is brief; consider elaborating expected health, employment and green jobs benefits.
g) Yes. Co-financing of USD 41.6 million (a ratio of about 6.7 to 1) with substantial private sector investment is strong, and PMC items are reasonable. Per the secondary program manager review, please clarify how the proposed incentives and de-risking measures under Component 2 will be sufficient to mobilize investment and generate a pipeline of bankable projects, how they address the key adoption barriers for the technologies in the roadmap, and how they will leverage private financing at scale.
h) Adequate. Climate risks are identified with mitigation; however, the risk table text still refers to actions to be undertaken 'during the PPG stage'; please update the risk table to reflect the post-PPG implementation stage.
i) Yes. Stakeholders are identified across components.
j) Yes. Gender is addressed through a dedicated policy assessment output, the Gender Analysis and Action Plan, and gender-disaggregated targets.
k) Yes. Knowledge management and communication are covered under Component 4 with a dedicated expert and platform.
l) Partially. The template asks to confirm whether any country policies might contradict the intended outcomes; this is not explicitly addressed. Please identify potential counteracting policies (for example fuel subsidies or infrastructure cost-minimization procurement practices) and how the project will respond.
m) Please articulate more clearly the expected sectoral transformation from the policy and regulatory package under Component 1, including milestones and timeline.

Oct 1, 2026 - comments cleared

Agency Response

a) ToC has been updated with the suggested changes made on the results chain, and the changes made on the components, outcomes, outputs and activities.

d) Selection criteria have been included in paragraph 227.

For component 4, the following has been added to paragraph 256: ‘Component 4 will support the implementation and scaling of Components 1–3 by strengthening monitoring, knowledge sharing, stakeholder engagement and replication. It will capture and share lessons, data and good practices from the policy work under Component 1, the business and financing approaches under Component 2, and the technology demonstrations under Component 3. Monitoring and reporting will provide evidence on progress and results and help identify areas where implementation needs to be adjusted. Engagement with government, industry, financial institutions, technology providers and other relevant stakeholders will support coordination, exchange of experience and uptake of successful approaches. The knowledge generated through these activities will also help identify practical conditions for replication and inform the wider application of proven technologies, business models and policy measures across the cement and construction sector.’

Core Indicator 9 is attributed to the annual mercury reduction target of around 0.4 t Hg/year may be allocated across the four intervention types as follows: fuel substitution (0.10 t/year), clinker avoidance(0.20 t/year), cement substitution (0.075 t/year), and building-waste recycling (0.025 t/year).

GHG calculations and explanatory paragraphs have been added under the Core Indicator table.

f) Noted, we suggest collecting detailed information on these areas during project inception.

g) The following paragraph has been added to Component 2/paragraph 188:

Component 2 is designed to address the main barriers to technology adoption by combining project preparation, financial de-risking, fiscal incentives and market creation. For capital-intensive technologies such as waste heat recovery, calcined clay systems and RDF processing, the project will provide technical assistance, engineering assessments and emissions-reduction verification to reduce pre-investment technical risks and transaction costs and develop a pipeline of bankable projects suitable for commercial financing.

The project will then connect these prepared investments with a range of financing instruments. Development banks and commercial lenders will provide green and climate-smart financing for energy efficiency, kiln upgrades, waste recovery and industrial retrofits, while international financial institutions can provide concessional financing and guarantees to help address the higher perceived risks associated with new technologies. Existing fiscal incentives and tax provisions will further improve project economics and investment returns.

Finally, Component 2 will address demand-side barriers by strengthening green public procurement and supporting green building requirements, creating more predictable market demand for low-carbon and low-mercury cement. By combining technical project preparation, risk-sharing mechanisms, improved investment returns and greater market certainty, the component is intended to convert identified technology opportunities into a pipeline of bankable projects and crowd in private capital at scale, rather than relying on grant financing alone.

h) Risk table has been updated.

l) Included under paragraph 145: The project addresses existing counteracting policies such as cost-minimization in traditional public procurement, rigid infrastructure material specifications favoring high-clinker cement, fuel/energy subsidy distortions in competing import markets, and unstructured quarrying/permitting obstacles. These are resolved through specific project mechanisms:

- Procurement Barriers: Addressed by operationalizing Republic Act No. 12009 (New Government Procurement Act of 2024) and Tatak Pinoy Act (RA 11981) under Output 2.1.2 and Output 4.1.2. The project embeds Green Public Procurement (GPP) tools, Life Cycle Costing (LCC), and Environmental Product Declarations (EPDs) so public infrastructure bids evaluate environmental performance rather than initial purchase price alone.

- Regulatory Rigidity: Addressed by updating DPWH BRS Bluebook specifications and DTI BPS requirements under Output 1.1.3 to allow higher SCM replacement ratios and recycled construction and demolition waste (CDW).

- Waste & Fuel Distortions: Addressed under Output 1.1.2 and Output 3.1.2 by updating DENR AO 2010-06 (Alternative Fuels and Raw Materials / AFR co-processing guidelines), expanding the EPR Law implementation, and introducing DOE incentive recommendations for biomass and RDF integration into kiln operations.

Included under paragraph 145: Component 1 will progressively establish the policy and regulatory conditions needed for sectoral transformation. During the project, the focus will move from policy and regulatory gap assessment to strengthened mercury monitoring and emission requirements, and then to national guidelines, standards, traceability and green procurement measures. By project completion, these measures are expected to provide a clearer and more predictable framework for the adoption of low-mercury, low-carbon and circular construction practices, supporting the investments and technology uptake under Components 2 and 3 and enabling wider replication beyond the project.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided?

b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?

c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

Secretariat Comments at CEO Endorsement Request

a) Partially. The UNIDO (IA) and Clean Air Asia (PEE) arrangement, DTI leadership and PMU staffing are described with terms of reference. Three requests: (i) please confirm the composition, roles and responsibilities of the Project Steering Committee and any Technical Coordination or Advisory Groups, including representation of government agencies, industry associations, financial institutions and other key stakeholders; the current description identifies only the DTI chair; (ii) please include an organogram and funds flow summary, which are requested by the template but not provided; and (iii) the terms of reference for the Administrative Assistant in the institutional arrangements section (and Annex K) duplicate the Project Coordinator text verbatim; please provide a distinct, position-specific ToR.
b) The question on whether the GEF Agency will play an execution role is left blank. UNIDO is implementing only, with execution by Clean Air Asia; please answer the question explicitly (No).
c) Yes. A coordination table covers GCCA, GlobalABC, the Brazil GEF cement project, the Climate Club, WorldGBC, national programs and GCF financing channels.

d) Recalling the CEO's letter to Agency focal points dated 19 March 2026, please include a reference that the Agency will be a member of the PSC but that it will not hold voting rights on PSC deliberations.

Oct 1, 2026 - comments cleared

Agency Response

ai)Paragraph 339 and paragraph 349 have been updated with the composition and/or leads.

aii) Funds flow is provided as red arrow in the organogram.

aiii) Tasks for the administrative assistant have been updated in the institutional arrangement sections as well as in Annex K.

b) Explicitly mentioned that UNIDO will not play an execution role.

c) Please refer to paragraph 345, highlighted in yellow.

5.3 Core indicators

a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)?

b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits ambitious yet realistic?

Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat Comments at CEO Endorsement Request

a) Partially. The mercury methodology (Core Indicators 9 and 9.2, revised from 3.5 to 2.0 tons) is detailed and uses a country-specific intensity from the Philippine MIA; the halving of the PIF target is explained. Requests: (i) provide transparent GHG calculations for Core Indicator 6 (1,000,000 tCO2e direct), including assumptions, baselines and emission factors linked to the Component 3 pilots; (ii) align the accounting period for the mercury target (0.4 t/yr over four years versus 2.0 t over five years); (iii) consider completing sub-indicator 9.4 given the national mercury legislation and policy work under Component 1; and (iv) the beneficiary target of 6,000,000 people (3,000,000 women, 3,000,000 men) is presented without a methodology; please add the justification and calculation basis, which the 250-word explanation currently omits.
b) The mercury target is ambitious relative to the pilot scale, as the document itself acknowledges; achievability depends on policy uptake. The GHG target is described as conservative; this can be confirmed once transparent calculations are provided. CI9.2 – The 2.00 metric ton mercury target is correctly derived (0.40 t/year × 5 years), with the annual figure disaggregated across four reduction pathways. However, the pathway contributions, fuel substitution (25%),
clinker avoidance (50%), cement substitution (18.75%), and building-waste recycling (6.25%), are presented without a citation to the source data or baseline emission intensities used. Please include a methodology note or reference dataset in Annex C to allow
technical reviewers to independently verify these shares.

Oct 1, 2026 - comments cleared

Agency Response

ai) GHG calculations for Core Indidator 6 is provided under the Core Indicator table in detail.

aii) It is confirmed that the average rate of 0.4 t/yr of mercury reduction is multiplied for the 5 years project implementation period to achieve the 2t mercury reduction. The 4 years period declared under the section “Global Environmental Benefit” is a typo and has been fixed.

aiii) This has been set to 1, consistent to outcome and outputs expected under Component 1 of the project

aiv) Methodology for core indicator 11 is added.

b) The four reduction pathways do not derive from a referenced source but are instead the result of an expert advice resulting from international knowledge and consultation with the stakeholders, related to the feasibility of mercury reduction activities: higher values (fuel substitution and clinker avoidance) related to pathways that are already practiced in the philippines whilst the other 2 represent activities which are relatively new and need consolidation and testing.

This is indeed accounted in the CEO-ER document (under the “Global Environmental Benefit” section: “This allocation reflects the relative technical strength of the interventions, with clinker avoidance representing the most robust and scalable mechanism. The calculations are based on a mercury intensity of 0.09 g Hg/t clinker, as reported in the Philippine Mercury Initial Assessment (MIA), which provides a country-specific reference value reflecting mercury associated with cement production, including contributions from raw materials and upstream processes such as quarrying.'and the following paragraphs.

5.4 Risks

a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat Comments at CEO Endorsement Request

a) Mostly. All categories are covered with mitigation measures. Please reassess the ratings under the Innovation category: given the project objective of technological transformation, circular economy approaches, alternative fuels and materials, and mercury reduction measures, the current Low ratings for Institutional and Policy and for Technological risks may underestimate innovation risks. In addition, several mitigation descriptions still refer to future PPG-stage actions; please update them to reflect completed preparation and the implementation stage.
b) The overall Moderate rating is reasonable, subject to the reassessment of the Innovation category above.
c) Yes. The signed UNIDO ESS screening classifies the project as Category B (OS2, OS8, OS9 and OS10 triggered) and a final ESMP is provided, consistent with SD/PL/03.

Oct 1, 2026 - comment cleared

Agency Response

a) Ratings under the Innovation category has been reassessed (i.e. technical now a moderate risk), and the risks have been updated to the implementation stage.

5.5 For NGI Only:

a) Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat Comments at CEO Endorsement Request

Agency Response

6. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

Secretariat Comments at CEO Endorsement Request

Yes. The project is aligned with the Climate Change Mitigation focal area (CCM-1-1, energy and material efficiency) and the Chemicals and Waste focal area (CW-1) consistent with its multi focal area financing. Please remove the duplicated paragraphs in this section (paragraphs 358 and 361, and 359 and 363, repeat verbatim).

Oct 1, 2026 - comment cleared

Agency Response

Duplicated paragraphs have been removed.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat Comments at CEO Endorsement Request

Mostly. Alignment with the NDC (75 percent GHG reduction commitment), the Philippine Development Plan 2023-2028, the Green Building Code, the Green Jobs Act and the Minamata Convention is described. However, the question on whether any country policies might contradict the intended outcomes is not addressed; please add this confirmation and any mitigation approach. The policy package should also demonstrate consistency with the NDC commitments and net-zero ambitions, with specific milestones.

October 1, 2026 - comment cleared

Agency Response

See paragraph 360a includes outline how the project aims to addresses existing counteracting policies such as cost-minimization in traditional public procurement, rigid infrastructure material specifications favoring high-clinker cement, fuel/energy subsidy distortions in competing import markets, and unstructured quarrying/permitting obstacles.

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat Comments at CEO Endorsement Request

Agency Response

7. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat Comments at CEO Endorsement Request

Mostly. All confirmations are provided, but in the gender section none of the three results areas is selected despite the confirmation of gender-responsive measures; please select the applicable results areas (at minimum improving women's participation and generating socio-economic benefits, consistent with the GAP).

Oct 1, 2026 - comment cleared

Agency Response

The following results area has been selected:

1. • Improving women's participation and decision-making; and/or
2. • Generating socio-economic benefits or services for women.

7.2 Is the Gender Action Plan uploaded?

Secretariat Comments at CEO Endorsement Request

Yes. The Gender Analysis and Gender Action Plan (Annex N) is uploaded, a dedicated gender assessment output is included under Component 1, and the results framework includes gender-sensitive indicators.

Agency Response

7.3 Is the stakeholder engagement plan uploaded?

Secretariat Comments at CEO Endorsement Request

Yes. The Stakeholder Engagement Plan (Annex M) is uploaded with a grievance redress mechanism, and stakeholder roles are developed. One correction: the civil society role selection records only 'Co-financier', yet the Project Executing Entity, Clean Air Asia, is itself a civil society organization and UP ICE is a CSO co-financier; please also select 'Executor or co-executor' and review the other applicable roles.

OCt 1, 2026 - comment cleared

Agency Response

Yes, 'Executor or co-executor' and "Member of project steering committee or equivalent decision-making body" have also been clicked due to Clean Air Asia national execution role.

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat Comments at CEO Endorsement Request

Yes. The signed ESS screening (Category B) and the final ESMP are uploaded.Yes

Agency Response

8. Annexes

Annex A: Financing Tables

8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat Comments at CEO Endorsement Request

Yes

Agency Response

Focal Area allocation?

Secretariat Comments at CEO Endorsement Request

Agency Response

LDCF under the principle of equitable access?

Secretariat Comments at CEO Endorsement Request

Agency Response

SCCF A (SIDS)?

Secretariat Comments at CEO Endorsement Request

Agency Response

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat Comments at CEO Endorsement Request

Agency Response

Focal Area Set Aside?

Secretariat Comments at CEO Endorsement Request

Agency Response

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat Comments at CEO Endorsement Request

Yes. The PPG is itemized by activity with USD 78,550 spent and USD 44,000 committed of USD 200,000. Please clarify the status of the remaining uncommitted balance of approximately USD 77,450 and confirm it will be either utilized for eligible completion activities or reported and returned in accordance with the guidelines.

Oct 1, 2026 - comment cleared

Agency Response

The table has been updated with the expenditure and committed amounts. Yes, the remaining amounts will be utilized for eligible PPG activities, within the first year of implementation.

8.3 Source of Funds

a) Does the sources of funds table match with the amounts in the OFP's LOE?

Note: the table only captures sources of funds from the country's STAR allocation

Secretariat Comments at CEO Endorsement Request

Yes

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or inkind/ recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat Comments at CEO Endorsement Request

Partially. Total co-financing of USD 41,611,797 (about 6.7 to 1) from government, private sector, civil society and the Agency is well diversified and granular. Five requests: (i) several government contributions (DENR, DOST, LGU Malolos, LGU La Union) are typed as 'Equity'; for public entities these should normally be classified as Public Investment; please review; (ii) Republic Cement is recorded as providing a USD 19,140,000 'Grant'; please confirm the instrument or reclassify (for example as equity or public investment consistent with the nature of the contribution); (iii) the entry 'Design Coordinates, Inc. (DCI), DTI' combines a private firm and a government department in one line under Private Sector; please separate them, and review the classification of Gawad Kalinga (an NGO) under Private Sector; (iv) the narrative under 'describe the investment mobilized portion' describes the consultation process rather than the investments themselves; please describe each investment mobilized contribution as required by the Guidelines; and (v) correct the duplicated name 'UP Institute of Civil EngineeringUP Institute of Civil Engineering'.

Oct 1, 2026 - comment cleared

Agency Response

i) Re-classified as “Public investment’.

ii) Republic Cement's co-financing commitment letter mentions that its contribution includes Grant financing, defined by the GEF as resources provided without expectation of repayment. Republic Cement identifies its contributions for marketing, operational/financial support, hauling, testing and permitting activities as Grant, while capital investments in equipment are separately identified as Equity.

iii) DTI has been removed. This was an oversight and revised for Gawad Kalinga.

iv) The investment mobilized represents partner contributions (especially contributions related to the pilots under component 3) toward project-related investments, including infrastructure, equipment, technology, facilities, and other non-recurrent activities or assets. These investments directly support project implementation, delivery of project outputs, and achievement of the intended environmental outcomes.

v) The duplicated name has been removed.

Annex B: Endorsements

8.5 a) If - and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs were provided:
Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat Comments at CEO Endorsement Request

Agency Response

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat Comments at CEO Endorsement Request

Agency Response

c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat Comments at CEO Endorsement Request

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?
b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)
c) Are all relevant indicators sex disaggregated?
d) Is the Project Results Framework included in the Project Document pasted in the Template?

Secretariat Comments at CEO Endorsement Request

a) Yes. Core Indicators 6, 9 and 11 are stated at objective level.
b) Partially. The results framework should be comprehensively reviewed and strengthened once the project design is refined: outputs should be reformulated as tangible deliverables, outcomes should clearly reflect the expected changes resulting from those deliverables, indicators should be measurable and time-bound (several are currently availability-type indicators), and the causal linkages across Components 1 to 4 should be explicitly demonstrated.
c) Yes. Gender-disaggregated elements are included, including beneficiary and participation targets.
d) Partially. The framework is pasted as a low-resolution image that is difficult to read, and the page number of the results framework in the Project Document is not indicated; please provide a legible text version and the page reference. A stray fragment ('KASA 2: Number of') in the header should also be removed.

Oct 1, 2026 - comment cleared

Agency Response

b) Outputs, outcomes and indicators in the results framework have been revised to ensure tangible deliverables are being reported on.

d)Framework has been re-pasted and also uploaded as Annex C. Checked on the 'KASA", however, when we paste it always appears on the right side. The rest of the text is in the next column on the left.

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? (Note: the provision of maps is at the discretion of agencies considering sensitivities in the given context)

Secretariat Comments at CEO Endorsement Request

GeoName IDs: Entirely absent. The geolocation table lists 13 project locations with latitude/longitude coordinates but leaves the GeoName ID column blank for every entry. At CEO Endorsement stage, GeoName IDs are required for all locations. Please populate the column using the geonames.org database, providing the GeoName ID of the nearest verified populated place or administrative unit for each site.

UP Institute of Civil Engineering – Longitude entry is an exact duplicate of the latitude. Both the latitude and longitude are recorded as 14.64879, which is clearly a data entry error; the longitude for Quezon City should be approximately 121.06°E. Please correct this entry before submission.

OCt 1, 2026 - comment cleared

Agency Response

The table has been updated.

Annex F: Environmental and Social Safeguards Documentation and Rating

8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?

Secretariat Comments at CEO Endorsement Request

Agency Response

Annex G: GEF Budget template

8.9 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat Comments at CEO Endorsement Request

a) Yes. The budget is detailed by expenditure category and component with the responsible entity per line, and totals reconcile (USD 6,192,694; PMC USD 294,890; M&E USD 186,000).
b) Yes, generally. The MTR (USD 50,000) and TE (USD 80,000) are charged to M&E with UNIDO responsible, and annual financial audits (USD 44,890) are appropriately under PMC. Once the outputs are restructured per the secondary program manager review, please confirm that budget lines remain mapped to the corrected outputs.
c) Partially. TORs for the PMU and experts are attached (Annex K), which is welcomed. However, the Project Assistant ToR duplicates the Project Coordinator text verbatim, including leadership responsibilities that cannot belong to an assistant position; please provide distinct, position-specific TORs (this duplication also appears in the institutional arrangements section of the CEO Endorsement document).

d) The vast majority of the budget is proposed for contracting/consulting firms ($4.5M out of $6M project funding). There is about $150,000 budgeted for training and learning. This raises questions about the sustainability of impact, which
relies at least in part on capacity building (as per p. 65 of the CEO Endorsement request). Please review whether this facet of the project is properly budgeted for, and revise if necessary.

Oct 1, 2026 - comment cleared

Agency Response

b) Yes, budget lines remain mapped to the outputs.

c)ToR for Project Assistant has been updated (in the txt and as Annex)

d)Capacity building is adequately budgeted, as consulting/contracting should also include capacity building of the relevant items, which will be coordinated with component 4.

Annex H: NGI Relevant Annexes

8.10 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comments at CEO Endorsement Request

Agency Response

ANNEX I: Responses to Project Reviews

8.11 a) Have responses to Council comments, if any, at PIF/PCN stage been provided?

b) Have responses to STAP screen, if any, been provided?

c) Have responses to other comments, if any, been provided?

Secretariat Comments at CEO Endorsement Request

Agency Response

III. Additional Annexes

9. GEFSEC Decision

9.1 GEFSEC Recommendation

Is the project recommended for approval

Secretariat Comments at CEO Endorsement Request

The project addresses a relevant intersection of mercury and GHG reduction in a hard-to-abate sector, with strong and well-documented co-financing (6.7 to 1), a transparent mercury methodology, completed STAP responses, and appropriate safeguards documentation. However, the design requires a round of revisions before it can be recommended for CEO endorsement, (1) revise the Rio Markers (CCM to Significant

Objective 1; CCA to No Contribution 0, or justify); (2) restructure Components 1 and 2 so that outputs are tangible deliverables with clear legal and institutional status, policy milestones, timelines and NDC consistency, and clarify the sufficiency of the incentive and de-risking mechanisms to mobilize investment at scale; (3) provide selection criteria for the Component 3 demonstrations and articulate the linkages of Components 3 and 4 to the enabling interventions; (4) provide transparent GHG calculations for Core Indicator 6, a methodology for the 6 million beneficiary target, and a consistent mercury accounting period; (5) comprehensively strengthen the results framework with measurable, time-bound indicators; (6) reassess the Innovation risk ratings and confirm the PSC composition and governance structure; (7) correct the STAR source table (Climate Change, not Biodiversity), review co-financing type classifications and descriptions, and confirm letters; (8) confirm completion of the HACT micro-assessment before execution arrangements are finalized; and (9) address the editorial items, including the mercury statistics, summary length, duplicated paragraphs and TORs, the M&E numbering, and Annex E site coordinates. Resubmission addressing these items is requested before endorsement.

9.2 Additional Comments to be considered by the Agency during the inception and implementation Phase

Secretariat Comments at CEO Endorsement Request

9.3 Review Date(s)

Review Dates	CEO Approval	Response to Secretariat comments
First Review	8/11/2026	9/7/2026
Additional Review (as necessary)	10/1/2026	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		