

# Financing Agrochemical Reduction and Management (FARM) in Agri-Food Value Chains

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10915

**Countries**

Viet Nam

**Project Name**

Financing Agrochemical Reduction and Management (FARM) in Agri-Food Value Chains

**Agencies**

ADB

**Date received by PM**

12/8/2022

**Review completed by PM**

5/5/2023

**Program Manager**

Anil Sookdeo

**Focal Area**

Chemicals and Waste

**Project Type**

FSP

**PIF**   
**CEO Endorsement**

**Part I ? Project Information**

**Focal area elements**

**1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Co-financing**

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

Please provide the missing co-financing letter.

April 25, 2023 - Comment addressed.

Agency Response

ADB Response 13 April 2023

The GEF Co-Financing Guidelines state that "supporting evidence may include: **(a) an official project document for an approved project financed fully or in part by the entity that provides the Co-Financing; (b) a legal agreement or memorandum of understanding between the entity that provides the Co-Financing and the Agency, the recipient country government, or an executing partner;** (c) agreed minutes of negotiations (such as between a multi-lateral development bank [MDB] and a government); (d) signed and dated letter from the entity that provides the Co-Financing; or (e) other written documentation, provided that it meets the criteria set out in Paragraph 7 below"

As evidence of the co-financing we have provided the ADB Board Approved document for "Proposed Loan, Grant, and Administration of Grant Socialist Republic of Viet Nam: Water Efficiency Improvement in Drought-Affected Provinces Project". The co-financing amounts for ADB and the Government are marked for ease of review.

We trust that this will be sufficient (as it has for many other projects we have submitted).

**GEF Resource Availability**

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request Yes

Agency Response  
**Project Preparation Grant**

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

Secretariat Comment at CEO Endorsement Request Yes

Agency Response  
**Core indicators**

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

Please indicate which POPs are targeted in sub-indicator 9.1.

April 25, 2023 - The requirement is to provide information on POPs being managed by the project. Without this we cannot access the project. Comment not addressed.

May 5, 2023 - Comment addressed.

Agency Response

ADB Response 13 April 2023

Please note that the POPs reduction target has been revised from 935.51 metric tons to 280.65 metric tons. Due to unavailability of credible data on POP use in the project areas, we were not able to: i) disaggregate the POPs types, and ii) provide accurate estimates on POPs use. The initial targets in the PIF were based on assumption of a higher pesticide POP percentage (10%). The PPG team, in consultation with the MARD, has further reviewed this indicator and revised the POP reduction target based on the assumption that 3% of the total pesticide use in the project provinces is POP in order to be conservative and careful. It would be important to note that the Government is very reluctant to disclose information on actual POPs which may be in use (beyond those in stockpiles).

Revised GEF Worksheet is uploaded in the Roadmap.

ADB Response 04 May 2023

Target POP estimates have been provided under Core Indicator 9.1. Endosulfan is also a target POP however not available under the drop down menu. The value is 5.61 MT. The estimation of baseline amounts for targeted POPs is challenging due to unavailability

of systematic data on: i) disaggregation by POP type, and ii) estimated use in the project areas. The initial PIF targets were based on a estimated higher pesticide POP percentage (10%). However during PPG, further review of best available information from MARD and consultations with relevant key stakeholders, the POP reduction target has been revised. DDT followed by Lindane have been the most widely used POPs containing pesticides until Viet Nam imposed a ban on the use of POPs in agricultural production systems in 1992, well before signing the Stockholm Convention. However, DDT continued to be used for medicinal purposes until 1994.

While a ban is in place on all POPs, a study report indicates that as of 2015, the country still had about 1,560 hazardous pesticides storage sites, mainly in the North and North Central regions. However, there is no data on the use/storage of different POP types. Against this backdrop, the project has set the POP specific reduction targets, which are attainable.

The POPs targets will be verified/updated based on a supplementary baseline survey during inception with monitoring capacity put in place with appropriate agencies throughout project life and beyond.

## **Part II ? Project Justification**

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion

Yes

Agency Response

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Gender Equality and Women's Empowerment**

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request

Yes



Agency Response  
**Knowledge Management**

**Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response  
**Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response  
**Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response  
**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response  
**Project Results Framework**

Secretariat Comment at CEO Endorsement Request Provided

Agency Response  
**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

The following comments are related to compliance with GEF policy:

1. M&E budget under Section 9- Monitoring and Evaluation and under the budget table of Annex E is \$115,000 while under Table B of the CEO endorsement entry is \$250,000
2. Budget table:
  - i. Office equipment for PMU should be charged under PMC, not project component.
  - ii. Office supplies should be charged under PMC, not project component.
  - iii. Vehicle purchase of \$30,000 needs to be justified by Agency and approved by PM.
  - iv. There is a formatting issue ? please ask the Agency to amend
3. Co-financing Please submit the missing co-financing letters.
4. Stakeholder Engagement: It is noted that the project has provided a schematic stakeholder engagement plan. The submission indicate that consultations have been carried out with civil society organizations, indigenous peoples and local communities and private sector entities but provides very little detail. The project should provide additional details on these consultations and the specific stakeholders that were consulted during the project development. In addition, the project should if possible further detail the different activities and engagement strategies to be conducted during the implementation through which the project will engage the key stakeholders, addressing their concerns and meet and/or manage their expectations.
5. Gender: The Agency pasted the stakeholder engagement plan under the section on Gender. Please delete this and summarize in the Gender Equality and Women's Empowerment section in the Portal the gender differences, gaps or opportunities linked to project/program objectives and activities.

6. Knowledge Management: The agency needs to provide a timeline for the implementation of key KM and communications activities/deliverables. This can be presented as a summary table in the KM section.

April 25, 2023 -While some of the comments provided on March 9th were addressed, most were not:

- In the Review Sheet the Agency explains that "M&E budget of \$ 250,00 in Table B of the CEO endorsement request includes additional \$135,000 for Baseline and Endline surveys" to explain the difference between M&E budget and Table B ? please add this activity (Baseline and Endline surveys) in the M&E budget ? otherwise the inconsistency will remain.

- Still there is a formatting issue ? please amend

- Stakeholder engagement: the Agency has provided an answer on comment on stakeholder engagement in the review but not highlighted any changes in portal section or project document. Please clarify.

- Co-financing: Given the old date of October 2018 on the co-financing support document for below, please provide the estimation of the actual amount that the Agency (with the help of the co-financier if possible) consider will effectively go to the project as co-finance considering the timeframe from both "the co-finance and the GEF project.

May 9, 2023 - Comments cleared.

## Agency Response

ADB Response 13 April 2023

1. M&E budget of \$ 250,00 in Table B of the CEO endorsement request includes additional \$135,000 for Baseline and Endline surveys.
2. The budget figures were misaligned with respective budget lines in the budget table due to formatting issue.
  - i) Office equipment for PMU cost has been revised and charged under PMC.
  - ii) There are expenditures for specialized software for laboratory management and IPHM management application under project component. There is no office supplies cost under the project component.

iii) Budget allocated for vehicle has been removed. Apologies for this as it slipped through our review when the initial CER was first submitted. We have made it very clear to the Government that we cannot use GEF funds for vehicle purchases.

iv) The budget has been reformatted and saved in PDF in order to ensure readability on the Portal

3. Re: Co-financing support documentation, please see response above ( Number 4).

4. Additional details on stakeholder consultations during the project development provided. A list of stakeholders consulted included. The engagement strategies and related activities to engage key stakeholders, address their concerns and meet and/or manage their expectations will be developed during the project inception phase and annual workplan development - and will be coordinated appropriately with the Global Child Project and global platform which is envisaged.

5. Gender analysis has been included.

6. A summary table on key KM and communications activities/deliverables implementation timeline is now included in the relevant section.

#### **Additional Responses ADB 09 May 2023**

Table 9 has been adjusted to include the allocations for baseline and endline surveys.

The sub-budget for equipment has been reformatted and re-inserted. From our side it looks fine.

The section on stakeholder engagement now includes the highlighted revisions which were already there.

Re: co-financing: Even though the loan RRP had an ADB Board date of 2018, there would still be requirement to secure no objection letters, preparing the loan agreement and project administration manual and other formal approvals from the Government of Viet Nam. The procurement (normally a good indicator of project start) was initiated in January 2020. To date only \$ 2.3 million has been disbursed from the loan, however a number of contracts have been awarded. As such, to address the concern raised by GEF reviewer, we have reduced the co-financing from the loan to \$ 86 million.

#### **Council comments**

Secretariat Comment at CEO Endorsement Request The comments from the council have been addressed

Agency Response  
**STAP comments**

Secretariat Comment at CEO Endorsement Request STAP comments have been addressed

Agency Response  
**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

Agency Response  
**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

Agency Response  
**CSOs comments**

Secretariat Comment at CEO Endorsement Request

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request Provided

Agency Response  
**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request Provided

Agency Response  
**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

The comment on the core indicators have not been addressed.

May 5, 2023 - Technical and policy comments have been addressed and completed. The project is recommended for CEO endorsement.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	3/2/2023	
<b>Additional Review (as necessary)</b>	4/25/2023	
<b>Additional Review (as necessary)</b>	5/5/2023	

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat comments**

<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**