

POPs and mercury-free solutions for environmentally sound waste management in Paraguay

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10682

Countries

Paraguay

Project Name

POPs and mercury-free solutions for environmentally sound waste management in Paraguay

Agencies

UNIDO

Date received by PM

5/11/2022

Review completed by PM

11/7/2022

Program Manager

Evelyn Swain

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, the project is aligned with the PIF.

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, the project's structure and design are appropriate and in line with the PIF but expanded.

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 NA

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 Yes, co-financing is well documents and has significantly increased since PIF stage, including from the private sector.

Agency Response
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, the status of PPG is included in Annex C.

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 Core indicators are consistent with PIF stage.

Agency Response

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, the causes and barriers are clearly stated and the alternative scenario states how they will be addressed.

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, the baseline is well developed.

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

Under outcome 3.1.1 P2 there is listed co-processing of used hydrocarbons containing POPs in cement kilns. Historically the GEF has not funded the processing of POPs in cement kilns due to the risks associated with this type of activity. The project should find an alternative for POPs disposal.

ES, 10/20/22: While we understand that there may be additional cost associated with export of the hazardous materials, due to the fact that we are no longer in GEF-7 we can not approve a cost increase for this project.

ES, 11/3/22: The cost increase was removed and the project is now consistent with the PIF. Comment cleared.

Agency Response

Agency Response 10/26/22:

This is noted. The proposed increase in funding from the GEF was removed and the project incl. Annex M Pilot Projects was adapted accordingly.

As agreed earlier, Outcomes 3.1.1 and 3.1.3 of Pilot project 2 were amended to avoid co-processing of used hydrocarbons containing POPs in cement kilns. Compared to the initially proposed pilot project, the amended alternative does not use cement kilns for the co-processing of used aviation hydraulic fluids. Instead, waste conditioning and export for destruction in facilities abroad will be carried out.

Because Paraguay is a landlocked country, the export of hazardous waste has higher costs compared to the cases of countries with coastline. For this reason, the proposed export alternative requires an increase in funds for Pilot Project 2 of US\$100,000. This amount was, in turn, taken from Pilot Project 3 (US\$30,000 taken from the Consultancy; US\$50,000 taken from the infrastructure to store valuable materials and special residues; and US\$20,000 taken from the awareness-raising campaign). Funds were reduced from Pilot Project 3 because it considered a range of 10 to 20 municipalities, allowing for flexibility of funds allocated. Overall, the requested project financing of USD 4,000,000 has remained the same since PIF approval.

Outcomes 3.1.1 and 3.1.3 of Pilot project 2 were amended to avoid co-processing of used hydrocarbons containing POPs in cement kilns.

Compared to the initially proposed pilot project, the amended alternative does not use cement kilns for the co-processing of used aviation hydraulic fluids. Instead, waste conditioning and export for destruction in facilities abroad will be carried out.

Because Paraguay is a landlocked country, the export of hazardous waste has higher costs compared to the cases of countries with coastline. For this reason, the proposed export alternative requires an additional US\$180,000 increase in the requested GEF funding.

This approach was discussed with Mr. Anil Sookdeo, Sr. Environmental Specialist, in October 2022 before resubmitting the project.

Please see details in the CEO document and Annex M. Changes are marked in yellow.

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 the incremental reasoning is clear.

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, the GEBs are elaborated.

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, innovation and sustainability are addressed.

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

NA

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 stakeholder information has been provided.

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, a gender action plan is provided.

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, private sector's role is clear and the private sector will provide significant co-
financing.

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, risks including climate risks and COVID risks are provided.

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, the implementation arrangements are clear.

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, the links with national priorities and plans are clear.

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, the KM approach is adequately elaborated.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Yes, an ESS is provided.

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, M&E is provided.

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

Council comments need work.

ES, 10/20/22: Council comments have been updated. Comment cleared.

Agency Response Comments have been reviewed and addressed. For the detailed answers, please see section below, "Council comments: Secretariat Comment at CEO Endorsement Request".

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes the project results framework is adequate.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

ES, 11/17/22: PPO has the following comments:

Project to be returned to the Agency due to:

1. On project information: please request the agency to check the expected implementation/completion date and correct where necessary and adapt the duration accordingly.
2. On core-indicators: Please request the agency to include the core indicators in the annex A. GEF Core Indicators should be explicitly mentioned in the Results Framework in Annex A.
3. On the PMC: the co-financing contribution to PMC is not proportionate compared with the GEF contribution to PMC. If the GEF contribution is kept at 4.9%, for a co-financing of \$68,814,516 the expected contribution to PMC must be around \$3,371,911 instead of \$1,283,857 (which is 1.8%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please ask the Agency to amend either by increasing the co-financing portion and/or by reducing the GEF portion
4. The table on identified risks and mitigation measures is off margins. Please request the agency to work on the design so it aligns with the margins of the portal.
5. On the budget: Project Coordinator, project assistant and administrative assistant are being charged across components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. With the expected co-financing to be allocated to PMC of 3.37 million (see comments 3 above), and 48 million of co-financing is represented in equity, please request the agency to review.

ES, 11/28/22: The agency has addressed PPO's comments.

Agency Response

24 Nov 2022

1. Expected Implementation Start and Completion dates have been revised to 15 Feb 2023 and 15 Feb 2028. The exact project implementation start date will be reported in the course of the first PIR.
2. Annex A, Results Framework, now includes the GEF Core Indicators. The document is uploaded in the roadmap -> documents section and introduced within the CEO.
3. The co-financing contribution to PMC is now proportional to the GEF contribution to PMC. At PIF stage, the co-financing ratio was 1 to 7 (PMC from co-financing was USD 183,408). At CEO stage, the ratio increase to 1 to 17,52 and now the respective PMC figure derived from the co-financing was updates as well to USD 3,285,862 to comply with the request. It should be noted that Paraguay is generally not in favor of allocating such large amounts as co-financing to the PMC and would prefer to use the co-financing for the project components and respective activities.
4. The two ESS tables have been removed, as they cannot fit the margins of the text box in the Portal. If they are resized, they become illegible. Instead, we have referred to the prepared ESMP as done with other CEO submissions.
5. The Project Coordinator and Project Assistant positions are now charged to the PMC. The updated budget table has been uploaded in the roadmaps -> documents section and within the CEO document.

Council comments

Secretariat Comment at CEO Endorsement Request

Please strengthen the first response to the comment from the UK and the comment from Canada on the coordination with the two UNDP projects. This is an important comment.

Please strengthen the response to Canada's comments. Not all comments are addressed.

ES, 10/20/22: Council comments have been improved. Comment cleared.

Agency Response

All Council comments have been addressed in the relevant sections of CEO and in Annex B_Response to Project Reviews_ver August 2022 (for clarity, changes are marked in yellow).

? Regarding the UK's comment on coordination with other agencies implementing similar projects:

Upon acceptance of our project proposal, UNIDO will reach out to the coordinating teams of these similar projects to discuss and exchange views about strategies, technologies, approaches, etc. A periodic exchange mechanism will be set in order to optimise resources, exchange lessons learnt and establish synergies, where relevant. UNIDO has ample expertise in coordinating with stakeholders, including other implementing and UN Agencies, and on identifying potential synergies that generate mutual benefit.

? Regarding Canada's comment on phrasing of output 1.1.1 to adequately reflect the work being done under the Minamata Convention:

Additional clarification has been added to the alternative scenario (in yellow) to explain how the intersessional work from COP-4 will be taken into account within the project. The mercury-added products that have been included in the amendment of Annex A will also be targeted by the project and the guidance document on custom codes will be used as a reference in the work to be done with the National Customs Authority and the Ministry of Industry and Trade. In addition, the project team will liaise with the Minamata Secretariat as well as with the Global Mercury Partnership areas of mercury-added products and mercury waste management during project implementation.

? Regarding Canada's comment on output 2.1.2, suggesting to use technical guidance on managing hazardous waste under the Basel Convention and the Stockholm Convention's BAT/BEP documents:

In the activities related to the preparation of the manuals, the project will use all relevant guidelines, as shown in Annex B_Response to Project Reviews.

? Regarding Canada's comment on coordination with other agencies implementing similar projects:

Upon acceptance of our project proposal, UNIDO will reach out to the coordinating teams of these similar projects to discuss and exchange views about strategies, technologies, approaches, etc. A periodic exchange mechanism will be set in order to optimise resources, exchange lessons learnt and establish synergies, where relevant. UNIDO has ample expertise in coordinating with stakeholders, including other implementing and UN Agencies, and on identifying potential synergies that generate mutual benefit.

STAP comments

Secretariat Comment at CEO Endorsement Request STAP comments are addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

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

NA

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 NA

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 NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

Not at this time. Some issues still need to be addressed.

ES, 10/21/22: Not at this time. The cost needs to be consistent with what was approved during PIF stage.

ES, 11/17/22: Not at this time. Please see PPO's comments above in the GEF Sec comment box.

ES, 11/28/22: PPO's comments have been addressed. CEO endorsement is recommended.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

7/21/2022

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	10/21/2022
Additional Review (as necessary)	11/3/2022
Additional Review (as necessary)	11/17/2022
Additional Review (as necessary)	11/28/2022

CEO Recommendation

Brief reasoning for CEO Recommendations

This project will support both the Stockholm Convention and Minamata Convention and aims to transform the linear waste management sector in Paraguay into an environmentally sound and sustainable model using circular economy techniques. The project will address the entire supply chain of waste from the type of material that enters the country to the downstream waste by segregating and managing hazardous POPs and mercury-containing fractions in an environmentally sound way. The project also supports COVID-19 recovery in the health sector by applying best practices to hazardous and infectious medical waste. The project will result in global environmental benefits, including 7.2 Metric Tons of pure POPs and mercury, 453 Metric Tons of POPs and mercury containing material, and 34 gTEQ UPOPs emissions.