

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

Review PIF 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

9/25/2020

Review completed by PM

10/26/2020

Program Manager

Evelyn Swain

Focal Area

Chemicals and Waste

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

The project includes a component on extended producer responsibility (EPR) which is welcomed because it addresses the upstream issue of waste. However, there are no details on how the EPR will be implemented, or what producers/retailer will be targeted. In other GEF funded projects EPR has proved quite difficult to implement and requires much work with the private sector. In addition there is no apparent co-financing from these producers nor are they included in the list of stakeholder engagement. Please provide more details on this EPR element, because it is an important aspect of the project and without it this is an end of life only project.

ES, 10/19/20: The upstream components of this project have been clarified and include import bans, guidelines, and incentives that will deal with production, distribution and use phase, and limit the amount of future hazardous waste in the country. This now addresses the complete lifecycle using a circular economy approach.

Agency Response

15/10/2020

Upstream measures of waste for this project have been summarized as part of Table a and b, paragraph 31. The comment on extended producer responsibility (EPR) has been considered and EPR suitability for exempted Hg-containing products will be assessed as part of the project (please Table b, paragraph 31).

Additional modifications have been made to project outputs 1.1.1 and 2.1.2 (Table B and para. 32) to outline the project's upstream interventions.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

The co-financing level is adequate, however as motioned above it should include inputs from the producers for the EPR scheme.

ES, 10/19/2020: co-financing from the private sector has now been addressed.

Agency Response

28/10/2020

In table C: "Beneficiaries" (municipalities, hospitals) have been changed to "Recipient Country Government" since they are actually public organizations and not beneficiaries. The beneficiaries are described in indicator 11 (Paragraph 45).

23/10/2020

In table C: Grants have been changed to "public investment", as relevant. The description below Table C has been revised accordingly. Total Investment mobilized is US\$ 22,520,000 (grant, public investment, and equity investment).

15/10/2020

Co-financing coming from the private sector will rely on contributions from the private sector stakeholders dealing with POPs or Hg-containing substances, processes, materials or products, which will be part of the upcoming pilot projects. Detailed mapping and assessment of the relevant private sector stakeholders will be conducted during the PPG phase taking into consideration the comment made.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

The tons of POPs seem to be lower than what might be expected while the gTEQ for UPOPs are quite high. Please check to make sure the GEBs are appropriate.

ES, 10/19/2020: GEBs have been checked and are appropriate.

Agency Response

15/10/2020

Data and calculations related with the inventories of POPs and uPOPs have been carefully reviewed.

The amounts of tons of PFOS may seem much lower than those stated in the reviewed and updated NIP (2017); however, as indicated in Note 1 (under the core indicators table) of the section on project's target contributions to GEF 7 core indicators, using the NIP update inventory data, we realized that the inventoried amounts seemed to be excessively high, considering Paraguay's population and level of development (e.g. the current inventory of PFOS yields about one-third of the inventory of China, which is even a PFOS producer). To control this assessment, we then compared the NIP results with available regional information from the reviewed and updated NIPs of Mexico, Guatemala and Honduras, to get more approximate estimates regarding the inventories of PFOS in consumer articles, aviation fluids and firefighting foams, and regarding their potential PFOS content. The estimates of at least 400 tons of consumer items and 53 tons of aviation firefighting foams and fluids, set up a pessimistic scenario that must be verified at the beginning of the PPG phase. Regarding the level of ambition with the uPOPs (34 gTEQ per year), it might look high; however, please note that the 2015 inventory of dioxins and furans totals 68 gTEQ per year. Similar to the PFOS case, all these numbers must be confirmed during the PPG phase.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

Yes, the problem and root causes are clear.

Agency Response

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

The baseline is clearly defined.

Agency Response

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

As mentioned above more information is needed on the EPR scheme because it is a critical element of the project.

ES, 10/19/20: The upstream components of this project have been clarified and include import bans, guidelines, and incentives that will deal with production, distribution and use phase, and limit the amount of future hazardous waste in the country. This now addresses the complete lifecycle uses a circular economy approach. Figure 1 which shows the lifecycle and different interventions along the supply chain is a helpful addition.

Agency Response

15/10/2020

As explained above, the alternative scenario for upstream activities has been elaborated to ensure the phase-out of POPs and Hg-containing products in Paraguay. Please see revised table a and b, paragraph 32 and outputs 1.1.1 and output 2.1.2 .

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

Yes. This is aligned with the CW strategy.

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

As motioned above please review the GEB's to ensure they are correct.

ES, 10/19/2020: GEBs have been verified.

Agency Response

15/10/2020

As explained, the GEB data for PFOS need to be verified during the PPG phase. All other inventories will be validated. Please see the detailed notes under Table F and within the GEB section.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

This is the first project that aims to transform the waste sector. The upstream aspects is important so more information should be provided as requested above.

ES, 10/19/2020: As commented above the lifecycle approach and upstream interventions are now clear.

Agency Response

15/10/2020

Additional aspects on the innovative side of the project have been included in Paragraph 46. Upstream aspects will be considered throughout the project as it can be seen in the alternative scenario. The end goal is to transform the waste sector from a linear to a sustainable model in the country.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

The exact locations will be determined during the PPG.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

Stakeholder engagement to support the EPR is missing.

ES, 10/19/2020: Stakeholder engagement is now clear.

Agency Response

23/10/2020

Please see Paragraph 53 a. The relevant description of the stakeholder consultations that took place during the development of the PIF has been added.

15/10/2020

Main upstream activities to phase-out POPs and Hg-containing products will involve a variety of stakeholders like customs (that will be critically involved in implementing import bans), product importers (who can provide information on Hg-free or POP-free products or alternatives), the health care sector (that will be involved in implementing source separation and providing alternatives to strengthen the ESM of medical waste), merchants of PFOS impregnated products, firefighters and the aeronautic sector (all of them are crucial in identifying and managing PFOS in carpeting, clothing and firefighting foams) and the general public (that has mercury-added products (MAP) in their households and will need mechanisms to ensure their proper end-of-life management).

The above information has been included in paragraph 56a).

Detailed stakeholder mapping will be done during PPG taking into account the comment made.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

Yes, gender is addressed and a gender action plan will be developed during PPG.

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

Private sector is engaged but should be strengthened significantly, especially with regards to the EPR.

ES, 10/19/2020: private sector engagement has been clarified.

Agency Response

15/10/2020

The private sector will be involved mainly through the Union Industrial del Paraguay (UIP), as part of the identification, assessment and lobbying of industry incentives to promote the use of safer POPs-containing and Hg-containing products, which will also strengthen their Corporate Social Responsibility and will pave the way to develop meaningful pilot projects. The comment on the private sector and EPR is well noted and will be taken into account during the private sector engagement approach implemented during the PPG phase.

The above information has been added to paragraph 65.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

Yes, risks are considered, including COVID-19 associated risks.

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

This project should coordinate and learn from other projects that are dealing with health care waste during the COVID-19 crises.

ES, 10/19/2020: This coordination is now clear.

Agency Response

15/10/2020

Yes, this has been clarified. Please see paragrah 70.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

Yes, this is consistent with the NIP and MIA.

Agency Response

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

KM with other waste project, especially those dealing with COVID-19 waste should be considered. Also this proved should learn from the EPR project in Nigeria.

ES, 10/19/2020: KM has been expanded and is not clear.

Agency Response

15/10/2020

Yes, KM with other waste projects, especially those dealing with COVID-19 waste will be considered. The project entitled “Circular Economy approaches for the electronics sector in Nigeria” will be seen as a potential reference and this reference has also been included. Please refer to paragraph 78.

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 PIF/Work Program Inclusion

Yes, a ESS screen is included.

Agency Response

Part III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

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

ES, 10/22/2020: PPO has the following comments:

PIF to be returned to the Agency due to:

1- On co-financing: Description field mentions grants mobilized as “public investment”, in those cases, please use category “public investment” and not grants.

2- Stakeholder Engagement: please ask the Agency to provide a description of the stakeholder consultations that took place with civil society organizations and private sector entities, as indicated in the Stakeholders section (#2). Please note that the GEF Policy on Stakeholder Engagement (Nov 2017) requires that that at PIF stage ‘Agencies provide a description of any consultations conducted during project

development...’

ES, 10/26/2020: PPO comments have been addressed with an updated co-financing table and the addition of a stakeholder engagement table. PIF Clearance is recommended for technical clearance.

ES, 10/27/20: PPO first suggested that the Agency could consider using “public investment/investment mobilized” rather than “in-kind” for some of the co-financing. The Agency revised beneficiary co-financing as “public investment” but unfortunately, “public investment” can’t be used for “beneficiaries”, only for national or sub-national entities. Please use “grant” for co-financing from beneficiaries. And since the description field mentions “public investment”, Agency can *consider* using “public investment” for some of the co-financing from the recipient country government.

ES, 10/28/2020: All issues have been addressed. PIF is recommended for technical clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	10/8/2020	
Additional Review (as necessary)	10/22/2020	
Additional Review (as necessary)	10/26/2020	
Additional Review (as necessary)	10/27/2020	
Additional Review (as necessary)	10/28/2020	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

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 a number of 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.