

# GEF GOLD+ Bolivia: Enhancing the formalization and mercury reduction in artisanal and small-scale gold mining in the Plurinational State of Bolivia

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10602

**Countries**

Bolivia

**Project Name**

GEF GOLD+ Bolivia: Enhancing the formalization and mercury reduction in artisanal and small-scale gold mining in the Plurinational State of Bolivia

**Agencies**

UNIDO

**Date received by PM**

12/2/2021

**Review completed by PM**

4/29/2022

**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.

Agency Response

**29 Apr 22 / Response to remaining PPO comment:**

The budget table was amended accordingly.

The text under paragraph 428 in the CEO document was updated respectively, with changes highlighted in yellow.

**27 Apr 22 / Responses to PPO Comments:**

**1. On project information: per our calculations, the duration of the projects adds to 61 months. Please request the agency to correct the expected completion date for 06/30/2027.**

The duration of the project has been changed accordingly.

2. 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 5%, for a co-financing of \$30,620,244 the expected contribution to PMC must be around \$1,531,012 instead of \$1,154,737 (which is 3.7%). 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.

The PMC co-financing was increase accordingly. In consequence, the co-financing of the project components had to be adjusted.

3. On co-financing:

? All Civil Society Organization entries: most ?Grant? are part of their projects which have been already completed or very close to completion (meaning the funding will not be available for disbursement during the GEF project implementation). This amount should be reported as ?In-kind? and ?Recurrent expenditure?

The co-financing amounts that referred to completed projects have been changed according to the comment.

? Fundacion PROFIN 10M: according to the co-financing letter, this amount has not been confirmed. Is SIDA the source of the fund? In this case, remove this amount at this stage. Once the amount has been mobilized during the project implementation, report the co-financing at Mid-Term Evaluation or Terminal Evaluation.

The amount was removed as requested and the co-financing amended accordingly.

? Conservation International Bolivia: change ?Civil Society Organization? to ?Donor Agency?.

The change to Donor Agency was done accordingly.

? Cumbre del Sajama S.A. \$500,000 grant: according to the co-financing letter, this amount has been already utilized for other projects which are close to completion

(meaning the funding will not be available for disbursement during the GEF project implementation). Report as ?in-kind? and ?Recurrent expenditure?.

The co-financing type of Cumbre del Sajama S. A. has been changed as advised.

4. On core indicators: Please request the agency to include Core Indicator 7 in the results framework. the agency has indicated 72 tons of mercury reduction in the core indicator table.

Core Indicator 7. Number of shared water ecosystems is not applicable to this project.

#### 5. On the Budget:

a. Monitoring Specialist: should be charged to the M&E Portion of the budget and not to the PMC. Since the M&E budget is only \$100,000 USD (representing 1.5% of overall project) it can incorporate this expense.

The M&E budget was increased accordingly to \$270,000. The budget of the project components was adjusted accordingly.

b. Financial Specialist: as per guidelines, the financial specialist is an eligible function for funding by the PMC. Please request the agency to correct.

The financial specialist included in the project team will not undertake the functions envisaged for the financial management of the project. The financial specialist will be in charge of implementing component 2 which seek to propose innovating models to increase access to finance for artisanal and small-scale miners and provide education to both financial institutions, investors and lenders as well as mining organizations and individuals. For that reason, the expert will be charged to its specific component instead of PMC.

c. Chief Technical Advisor: The way the budget table is presented in Portal indicates that the cost of the Chief Technical Advisor will be 980,000 USD, representing 14.9% of the overall project budget. While there is no Guidance on caps, we consider this percentage high and would request the Agency to revisit. As this cost should be charged to the PMC (both to the GEF portion and co-financing), with the increase in the co-financing resources allocate to PMC (per point 2. Above) and considering that there is a considerable portion represented in grants, this position can be covered by PMC.

Based on the multi-stakeholders consultations conducted during the project preparatory phase, the presence of a full-time international Chief Technical Advisor (CTA) is required. The overall budget allocated takes into consideration 5-year salaries including

all potential social charges. Hence, it represents a maximum envelop and it is likely that the actual expenditures will be lower. Concerning the allocation of the CTA budget to both project components and PMC, this reflects the distribution of the tasks. Most of the contributions from the CTA will be center around the provision of technical advices to the project components while only an estimated 17% of her/his time will focus on project management.

**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, this project design and structure is consistent with the GOLD+ PFD and other GOLD+ child projects.

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, this project has a balance of co-financing sources and significant investment mobilized.

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

There is a problem viewing Annex C in the portal. It looks like there is a table there but it is blank.

ES, 1/26/22: Annex C is now clearly showing PPG utilization. Comment Cleared.

Agency Response

While the table was visible from UNIDO's side in the GEF Portal, it has now been included as a screenshot to ensure its readability. Furthermore, the information has also been uploaded as a separate document (Annex C - Status of Utilization of PPG).

**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

In addition to mercury under core indicator 9 it includes co-benefits of landscapes under improvement and greenhouses gas mitigation which is very good.

Core indicator 9 may need to be adjusted it lists 72 MT of mercury when during the PFD development 18 MT were expected from this country. Please explain or adjust.

ES, 2/16/22: The replication factor should follow the format of the program as should the description of the core indicator. Please correct.

ES, 3/24/22: The core indicator has been corrected. Comment cleared.

Agency Response

Core indicator 9 was adjusted as recommended at 18 MT of mercury reduction. The figure previously indicated (72 MT) included the replication factor. The corrected target (18 MT) has been amended in the table and is now consistent with the calculations included in the Global Environment Benefits section.

21/02/2022: Core indicator 9 and its description have been amended following the format of the program.

**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, this is well elaborated.

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 scenario and baseline projects are elaborated.

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, the alternative scenario is well described.

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 this project is well aligned with the CW FA strategy.

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

The GEB's of 18 MT of mercury listed in this GEB section is different that what is listed in core indicator 9 (72 MT). Please explain or correct.

ES, 2/16/22: The replication factor should follow the format of the program. Please correct.

ES, 2/16/22: The GEBs have been corrected. Comment cleared.

Agency Response

Please refer to answer provided under the core indicators section. The figures indicated in the two sections (18 MT of mercury reduction) are now consistent.

**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, sustainability and scale are all explained.

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, a map and geo-reference is provided.

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, it is clear how this will contribute well to the program.

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, there is a detailed list of stakeholders and engagement plan.

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, there is a gender analysis, and gender is well integrated into many project components.

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, there is significant private sector involvement and 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 pandemic and climate risks have been addressed.

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 institutional arrangements are well elaborated.

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

This project is well aligned with the NAP. However the NAP has not been submitted and published by the Minamata Convention Secretariat. Prior to CEO Endorsement the NAP should be published.

ES, 1/26/22: Due to COVID delays the NAP will be submitted during the first year of implementation. Comment Cleared.

Agency Response

The NAP document cannot be submitted prior to CEO Endorsement due to delays faced at the country level (i.e., change of administration, COVID-19 related risks). However, there is currently a supporting dynamic in the country and the NAP is expected to (i) be

available during the first year of implementation and (ii) the GOLD+ Bolivia project will directly contribute to NAP implementation.

#### **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, there is an M&E plan and budget included.

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, this is elaborated.

Agency Response

#### **Annexes**

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

Secretariat Comment at CEO Endorsement Request

There is a problem viewing some Annexes in the portal. It looks like there are tables there but it is blank.

ES, 1/26/22: Annexes are now visible in the portal. Comment cleared.

#### Agency Response

Please refer to comment under Project Preparatory Grant. The annexes have now been uploaded as screenshots to ensure their readability.

#### **Project Results Framework**

#### Secretariat Comment at CEO Endorsement Request

Yes, project results framework is provided.

ES, 1/26/22: Project results framework is included and adequate. Comment cleared.

#### Agency Response

#### **GEF Secretariat comments**

#### Secretariat Comment at CEO Endorsement Request NA

#### Agency Response

#### **Council comments**

#### Secretariat Comment at CEO Endorsement Request

There is a problem viewing any comments in the portal. It looks like there is a table there but it is blank.

ES, 1/26/22: Council comments have been adequately responded to in Annex B. Comment cleared.

#### Agency Response

Please refer to comment under annexes. The comments should now be available.

#### **STAP comments**

#### Secretariat Comment at CEO Endorsement Request

There is a problem viewing any comments in the portal. It looks like there is a table there but it is blank.

ES, 1/26/22: STAP comments have been adequately responded to in Annex B.  
Comment cleared.

Agency Response

Please refer to comment under annexes. The comments should now be available.

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request ES, 1/26/22: Minamata  
Convention comments have been adequately responded to in Annex B. Comment  
cleared.

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

There is a problem viewing the PPG utilization. It looks like there is a table there but it  
is blank.

ES, 1/26/22: PPG status has been provided.

Agency Response Please refer to comment under Project Preparation Grant. The  
information should now be visible and is also available as a separate document.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request Yes.

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 remain.

ES, 2/16/22: An issue with the core indicators remains.

ES, 3/24/22: All issues have been addressed. CEO Endorsement is recommended.

ES, 4/8/22: PPO has the following comments

Project to be returned to the Agency due to:

1. On project information: per our calculations, the duration of the projects adds to 61 months. Please request the agency to correct the expected

completion date for 06/30/2027.

2. 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 5%, for a co-financing of \$30,620,244 the expected contribution to PMC must be around \$1,531,012 instead of \$1,154,737 (which is 3.7%). 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.

3. On co-financing:

? All Civil Society Organization entries: most ?Grant? are part of their projects which have been already completed or very close to completion (meaning the funding will not be available for disbursement during the GEF project implementation). This amount should be reported as ?In-kind? and ?Recurrent expenditure?

? Fundacion PROFIN 10M: according to the co-financing letter, this amount has not been confirmed. Is SIDA the source of the fund? In this case, remove this amount at this stage. Once the amount has been mobilized during the project implementation, report the co-financing at Mid-Term Evaluation or Terminal Evaluation.

? Conservation International Bolivia: change ?Civil Society Organization? to ?Donor Agency?.

? Cumbre del Sajama S.A. \$500,000 grant: according to the co-financing letter, this amount has been already utilized for other projects which are close to completion (meaning the funding will not be available for disbursement during the GEF project implementation). Report as ?in-kind? and ?Recurrent expenditure?.

4. On core indicators: Please request the agency to include Core Indicator 7 in the results framework. the agency has indicated 72 tons of mercury reduction in the core indicator table.

5. On the Budget:

a. Monitoring Specialist: should be charged to the M&E Portion of the budget

and not to the PMC. Since the M&E budget is only \$100,000 USD (representing 1.5% of overall project) it can incorporate this expense.

b. Financial Specialist: as per guidelines, the financial specialist is an eligible function for funding by the PMC. Please request the agency to correct.

c. Chief Technical Advisor: The way the budget table is presented in Portal indicates that the cost of the Chief Technical Advisor will be 980,000 USD, representing 14.9% of the overall project budget. While there is no Guidance on caps, we consider this percentage high and would request the Agency to revisit. As this cost should be charged to the PMC (both to the GEF portion and co-financing), with the increase in the co-financing resources allocate to PMC (per point 2. Above) and considering that there is a considerable portion represented in grants, this position can be covered by PMC.

ES, 4/27/22: PPO has the following comment:

5. On budget: points (a) and (b) are addressed. Point (c) is not addressed. Chief Technical Advisor is part of the project's staff. Per Guidelines, in presence of co-financing, positions associated with have to be covered by the GEF and the Co-financing portion allocated to PMC. Requesting the costs associated with the execution of the project to be covered by the PMC is reasonable. As the co-financing portion allocated to PMC is 1.0 million, and considering that the grants portion of co-financing are 16.6 million, there is room to cover the costs of the Chief Technical Advisor from co-financing. Please ask the Agency to amend.

ES, 4/29/22: PPO's comments have been addressed. CEO Endorsement is recommended.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>12/16/2021</b>	
<b>Additional Review (as necessary)</b>	<b>2/16/2022</b>	
<b>Additional Review (as necessary)</b>	<b>3/24/2022</b>	



**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

<b>Additional Review (as necessary)</b>	<b>4/8/2022</b>
<b>Additional Review (as necessary)</b>	<b>4/29/2022</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**

This project supports Bolivia joining the planetGOLD program umbrella. The objective of the program is to reduce the use of mercury in the ASGM sector in the participating countries through a holistic, multisectoral integrated formalization approach, and increasing access to finance leading to adoption of sustainable mercury free technologies and access to traceable gold supply chains. The planetGOLD program works in partnership with governments, the private sector, and ASGM communities in countries to significantly improve the production practices and work environment of artisanal and small-scale miners. By working to close the financing gap, supporting formalization, raising awareness, and connecting mining communities with mercury-free technology and formal markets, the program aims to demonstrate a pathway to cleaner and more efficient small-scale gold mining practices that benefit everyone, from mine to market.

GEBs from the project will contribute to 72 Metric Tons of mercury reduced, and climate benefits of 154,369 metric tons of CO<sub>2</sub>e.