

# Financing Agrichemicals Removal and Management (FARM) in Lao PDR

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10904

**Countries**

Lao PDR

**Project Name**

Financing Agrichemicals Removal and Management (FARM) in Lao PDR

**Agencies**

UNDP

**Date received by PM**

12/13/2022

**Review completed by PM**

9/28/2023

**Program Manager**

Anil Sookdeo

**Focal Area**

Chemicals and Waste

**Project Type**

## 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

Co-financing letters have not been provided. Please upload.

May 31, 2023 - Comment cleared

## Agency Response

10 May 2023

Apologies that we had uploaded co-financing letters to the Document section of Portal and the IFAD project cofinancing letter was missing. All co-financing letters are now uploaded in the main Portal entry.

Co-financing amount from "Donors" (WB, Korea, and IFAD) is also disaggregated in the revised CEO ER.

Additionally, please note that, the total co-financing from the above three was indicated as 30.9 million in the previous CEO ER. At the time of co-financing letter issuance, IFAD co-financing was revised down 6 million because only a portion of the two projects are considered as co-financing. As such, the total co-financing for the project is revised to 20.4 million; co-financing for respective components are also adjusted accordingly. With the adjustment, the co-financing amount is still higher than the co-financing approved at PFD stage.

## 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 the type of chemicals in the core indicator table that are being targeted by this project. Also please indicate, if appropriate, tons of plastics being addressed in sub-indicator 9.8.

May 31, 2023 - Comment cleared

Agency Response

10 May 2023

We have indicated in the uploaded CEO ER that 450 MT of candidate POPs (Clorpyrifos) is targeted under Core Indicator 9.1. Since Clorpyrifos does not show up in the drop-down menu, we were unable to pull it out in the Portal. Please note that we have added a note on type of POPs under "additional explanation on targets" in the Portal. As recommended by the GEF, we have also entered the amount of plastics downcycled-4,200 MT in the Portal under 9.8.

**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

Please include the geo-referenced information within the main portal entry.

## Agency Response

10 May 2023

Please note that the geo-referenced location of the project area was attached as a separate file named "GEFID\_10904\_FARM\_Lao Anx D Map and geospatial coordinates". We had attempted to copy and paste it in the Portal main entry at different times, yet the picture looks distorted or incomplete in the printout. At times, the map overlaps with the next sections, making the following sections difficult to view. Given this, please kindly refer to the separate Annex.

## 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

It is noted there is an LOA between the UNDP and the Government of Laos for UNDP to provide several services at the request of the Government including recruitment of project staff. Please provide details on what the cost implications of applying UNDP rules to the recruitment of project staff versus Government recruited staff. Please also clarify why this is necessary. Finally the project document indicates an amount for the support that is half of what is in the LOA. Please clarify.

May 31, 2023 - comment cleared.

## Agency Response

10 May 2023

Please allow us to firstly summarize the context of this LOA. The execution support was requested by the Government, mainly considering the limited national capacities for project execution. UNDP's Micro-assessment also reports that the Government lacks a computerised system to manage donor funds. Additionally, there is a regulatory restriction that limit amount payable (threshold is 120 million kip, equivalent to about 6,880 USD) to third parties by the government agencies. These are constraining the execution capabilities of DoA. This rationale for requesting UNDP services was based on a comparative analysis of implementation modality options conducted at PFD stage and submitted to the GEF in a package.

LOA is thus developed and signed to outline scope and conditions for the UNDP execution support. The DPC amount was calculated based on the number of pre-identified transactions the project will require and the associated cost in accordance with UNDP's Universal Price List (UPL). The DPC covers the below:

- Staff and HR (including hire PMU staff). In terms of cost implications, UNDP-hired PMU staff and government-hired PMU staff have very comparable salary levels. This is because government hiring under a NIM implementation modality follows an Agreement between UNDP and Department of International Cooperation (Ministry of Planning and Investment), which has a comparable if not higher salary level.
- Also, given DOA limitations on recruitment, UNDP will (ii) support the recruitment of International Experts and International Service Providers that will deliver technical assistance for the project;
- UNDP will also (iii) conduct the recruitment processes for the different Servicing Providers that will differ the different Outputs intended by the Project; and
- Engage in third-party (such as RPs) for performance-based execution services. Processing payments and IT support.

We hope that this comprehensive response clarifies related questions on cost implications.

### **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

Please include in the portal information on the annexes and not just a reference to an annex in which the responses are contained. Without this the information cannot be accessed.

May 31, 2023 - comment cleared

## Agency Response

10 May 2023

Apologies for this inconvenience earlier. We have copied and pasted information in the annexes into the main Portal entry, with the exception of the geo-referenced map, for reasons mentioned above.

### **Project Results Framework**

## Secretariat Comment at CEO Endorsement Request

Cannot assess. Information not uploaded into the main portal.

May 31, 2023 - comment cleared

## Agency Response

10 May 2023

Apologies for this inconvenience earlier. We have copied and pasted Project Results Framework Annex into the main Portal entry.

### **GEF Secretariat comments**

## Secretariat Comment at CEO Endorsement Request

Please see the following comments that pertain to compliance with GEF policy:

3. Co-financing: agree with the PM comment ? additionally:

? Please submit the co-financing letter for IFAD and KOREA-MAFRA?s commitment of \$16,500,000 and \$3,300,000 respectively. Also, the amount totals to \$22,451,139 not \$21,800,000.

? The type of co-financing varies from Private sector to GEF Agency and needs to be entered separately.

? The World Bank letter of co-financing is missing. The letter of co-financing is from Peace Independence Democracy Unity Prosperity. Please revise accordingly.

4. M&E Budgeted plan includes "Supervision Missions", that are meant to be covered by the Agency Fee ? please amend. Also, clarify what "learning Missions" entail.

5. Budget Table is missed in Portal Annex ? the GEF cannot be in a position to review and provide comments (if appropriate) by the resubmission (hint: all budget tables ?in Portal, in document?s tab and in ProDoc) need to match.

May 22, 2023 - please see the following none addressed comments and comments arising from the budget which was not previously included in the portal:

Per the column "Responsible Entity ? Executing Agency receiving the funds from the GEF Agency" in budget table, the DOA will only execute \$241,500, which represents 6% of the total budget ? the rest will be executed by UNDP. Therefore, please amend all sections in Portal and ProDoc regarding the executing agency, which will be UNDP instead of the Ministry of Agriculture and Forestry (MAF) (as ?for instance? it is presented in Project Information and Institutional Arrangement and Coordination).

- Budget: as mentioned before, PPO would be able to assess the budget when resubmitted. These are the comments:

There are three Managerial positions (Project Director, National Technical Advisor, and International Chief Technical Advisor) amounting nearly 500K. These positions are charged to PMC and the project components. Per Guidelines, staff positions must be covered by the GEF, and co-financing portions allocated to PMC. The co-financing resources allocated to PMC are 960K ? out of 20 million of co-financing, 19.3 are represented in grants. Please reconsider whether three managerial positions are required for the project of 4 million ? either 3 or less managerial positions, they have to be covered by the GEF and co-financing portions allocated to PMC.

The budget line "Contractual services to support the implementation of outputs under component 3" must be removed as outputs are meant to be achieved by the work of project staff, consultants and other stakeholders - unspecified services can?t be covered by GEF resources.

Aug 21, 2023 - Please see unresolved comments:

PPO third set of comments:

1. The agency need to include UNDP as an Executing Partner in the Project Information section.

2. The budget line "Contractual services to support the implementation of outputs under component 3" is now transformed in "One local consultant to support Output XXX". However, in Annex 7 ? pages 4-5 these consultants have been properly identified with an specific task. Please adjust the budget tables (all) accordingly .

Sept 20, 2023 - PPO fourth set of comments:

The first comment provided by on August 16th was addressed. However, comments , 3 and 4 were not.

- Comment 3: this comment has not been addressed in the budget provided in Annex E because still the consultants that have been properly identified in Annex 7 with an specific task are not identified in the budget table.

This child project needs to be conditionally CEO Endorsed in Portal by September 30th to avoid cancellation. But before comments 2 and 3 (above) need to be addressed.

October 2, 2023 - Please include the detailed activities described in Annex 7 in the budget table in Annex 3. Also please ensure the updated Annex 3 table is also in the main portal document.

October 3, 2023 - Comment has been addressed.

## Agency Response

28 September 2023 (response to comments returned on 27 September)

Thanks for the comments.

I apologize if earlier response to comment 3 was not clear. To streamline comparison between Annexes E and 7, an additional column is added to both Annexes to show the linkage between the Consultant responsibility, TOR and budget. We believe this can demonstrate how the two tables align with each other row by row (shown in yellow/red highlight).

Regarding "comment 4", we noted that the reference to this "Comment 4" on M&E budget plan was addressed in our response dated May 10, 2023, and in order to better clarify it, please note the standalone response submitted below now:

Yes. Project supervision missions by Agency is already covered by the fee. This budget (2,000 per year, for 5 years) is for PMU staff. We included a footnote to this budget in the previous CEO ER, the footnote was lost when copying and pasting contents to the GEF Portal. The supervision mission is part of the Monitoring and Evaluation duties of the Officer that will be recruited. So this budget will be used to cover missions to project sites by PMU M&E officer. The "learning missions" budget line (10K for the project duration) is intended for learning and knowledge management purpose.

Please note that Agency does not have the authorization to select which documents to circulate in the GEF Portal.

13 September 2023 (response to comment on 21 August 2023)

1. Responding to the first comment, the following changes were made to the TBWP starting on page 83 of the ProDoc:

1) We revised footnote \* for component 1 (on page 85) emphasizing that "UNDP will engage a Responsible Party on behalf of the Implementing Partner. Potential RP identified at submission stage is FAO (for activities 1.1.2, 1.1.3, and 1.1.4). The actual engagement including detailed activities and budget will be reviewed and finalized in an UN to UN agreement which will be signed before implementation starts."

2) We added footnote number \*\* to TBWP that "UNDP will be providing execution support to the Implementing Partner (the Ministry of Agriculture and Forestry) for these activities, as requested by the GEF Operational Focal Point of Lao PDR. UNDP will use its own operational rules and guidelines for these activities. The Implementing Partner will maintain ultimate responsibility and accountability for the use of GEF resources and the successful achievement of project outputs, in alignment with the approved annual work plans.

The two footnotes above were made to summarize IP selection in detail. This project was agreed with the government as a COS-NIM, not DIM. LoA explains the scope of services in detail. UNDP's POPP does not allow two (types of) IPs for one project due to accountability concern. These arrangements were incorporated in the ProDoc and the CEO ER. For instance, page 66 of the CEO ER (under section 6) describes the role of IP, such as "The Implementing Partner is responsible for executing this project." And "UNDP is accountable to the GEF for the implementation of this project." (page 67). Page 67 describes the use of UN to UN agreement for UNDP to engage FAO.

We appreciate the opportunity to clarify on this important issue, and hope that the above response clarifies the Secretariat's comment.

2. We reviewed the budget lines under TBWP and Budget Notes (of ProDoc), and Annex 7. We made sure that all three are consistent. Summary is below:

- 71300 at a total budget of 40,000 is for "One local consultant to support the development and implementation of the National Communication Strategy "(figure is revised to 40K in

Annex 7; sorry for the error earlier)

- 71400 "Contractual Services - individuals": responsibilities for these four individuals are provided in Annex 7.

- 72100 "Contractual Services - companies": one is for hiring a company to provide services to manage 1,200 tons of plastics waste under the pilot project. The other one is for development and deployment of business model training and capacity building under the plastics waste pilot.

3. The implementation start, closing, MTR, TE, and CEO ER timelines have been revised in the ProDoc and CEO ER accordingly.

All changes are highlighted in yellow in the ProDoc, CEO ER, and Annex 7 for ease of review.

**26 June 2023 (response to comment on 22 May 2023)**

1. This project is designed and approved with an implementation modality of "UNDP support to NIM". The scope of UNDP services is detailed in the Letter of agreement (LOA). The background of LOA and scope of services are summarized under question "Is the institutional arrangement of project implementation fully described". Under this modality, UNDP is responsible and accountable for the provision of services, upon the request of IP, ensuring the quality and timeliness of these services. For the FARM project, the government as the Implementing Partner (IP) retains full programmatic control, accountability, and ownership of project activities. ProDoc described this structure of the Project Board as well. With this arrangement with the government under the "UNDP support to NIM" implementation modality, UNDP cannot be the IP.
2. Thanks for pointing this out. We take note that the bulk of this amount is for a full-time CTA. The project development team had hoped to significantly boost the technical capacity of the PMU team with the full-time in-person presence of a CTA, rather than a part-time remote CTA, given the complexities of project activities covering agrochemicals, agroplastics, and access to finance. We acknowledge your concern and propose a more balanced approach. The CTA is now reduced to a part-time role of 60 days. Given the reduction in CTA working days, it is necessary to boost the job responsibilities of the National Expert (thus a slight increase in total budget), as well as for project coordinator. The budget lines related to these two positions have been revised accordingly and relevant ToRs in Annex 7 are revised as well.
3. There are two budget lines for Contractual Services under Component 3, one is for individual (71400); and one for companies (72100). We'd like to take this opportunity to elaborate on these two budget lines and the specific services that each line provides: 71400 for individuals, their specific tasks and deliverables relevant to knowledge management, are detailed in page 4&5 of Annex 7: Overview of Project Staff and Technical Consultancies. 72100 for companies, one is for hiring a company to provide services to manage 1,200 tons of plastics waste under the pilot project.

The other one is for development and deployment of business model training and capacity building under the plastics waste pilot.

10 May 2023

1) The missing co-financing letter from IFAD projects has been uploaded to the Portal. As explained earlier, please note that the total co-financing is now revised to 20.4 million. This is still higher than the co-financing ratio indicated at PFD stage.

2) Co-financing amount from "Donors" (WB, Korea, and IFAD) is also disaggregated in the revised CEO ER.

3) The co-financing letter is issued by the Ministry of Agriculture and Forestry (MAF), the executing agency of the world bank project. Out of a 25 million project, 2 million was reviewed and accounted as co-financing.

4) Yes. Project supervision missions by Agency is already covered by the fee. This budget (2,000 per year, for 5 years) is for PMU staff. We included a footnote to this budget in the previous CEO ER, the footnote was lost when copying and pasting contents to the GEF Portal. The supervision mission is part of the Monitoring and Evaluation duties of the Officer that will be recruited. So this budget will be used to cover missions to project sites and other related tasks by PMU M&E officer. The "learning missions" budget line (10K for the project duration) is intended for learning and knowledge management purpose.

5) Apologies for this inconvenience earlier. We have copied and pasted Budget Table into the main Portal entry.

**October 3, 2023 (response to Oct.2 PPO comment)**

The detailed activities in Annex 7 have been included in Annex E- project budget table of the main Portal.

The revised project budget table is also uploaded in the Portal as a separate attachment.

Annex E in the Portal has been updated (as we note that Annex 3 is the project map).

#### **Council comments**

Secretariat Comment at CEO Endorsement Request

Cannot assess. Information not uploaded into the main portal.

May 31, 2023 - comment cleared

Agency Response

10 May 2023

Apologies for this inconvenience earlier. We have copied and pasted Council comments and responses into the main Portal entry (Please refer to Annex B)

**STAP comments**

Secretariat Comment at CEO Endorsement Request  
Cannot assess. Information not uploaded into the main portal.

May 31, 2023 - Comment cleared

Agency Response

10 May 2023

Apologies for this inconvenience earlier. We have copied and pasted STAP comments and responses into the main Portal entry (Please refer to Annex B)

**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  
Cannot assess. Information not uploaded into the main portal.

May 30, 2023 - comment cleared

Agency Response

10 May 2023

Please note that the geo-referenced location of the project area was attached as a separate file named "GEFID\_10904\_FARM\_Lao Anx D Map and geospatial coordinates". We had attempted to copy and paste it in the Portal main entry at different times, yet the picture looks distorted or incomplete in the printout. At times, the map overlaps with the next sections, making the following sections difficult to view. Given this, please kindly refer to the separate Annex.

**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**

Aug 21, 2023 - Please see unresolved comments.

Sept 20, 2023 - Please see PPO 4th set of comments. Please note we need to conditionally endorse by Sept 30 so please respond in a timely manner.

October 2, 2023 -Please include the detailed activities described in Annex 7 in the budget table in Annex 3. Also please ensure the updated Annex 3 table is also in the main portal document.

October 3, 2023 - Comment has been addressed, however sending to PPO for confirmation.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>3/2/2023</b>	<b>5/10/2023</b>
<b>Additional Review (as necessary)</b>	<b>5/22/2023</b>	<b>6/26/2023</b>
<b>Additional Review (as necessary)</b>	<b>5/31/2023</b>	<b>9/13/2023</b>
<b>Additional Review (as necessary)</b>	<b>8/7/2023</b>	<b>9/28/2023</b>
<b>Additional Review (as necessary)</b>	<b>8/21/2023</b>	

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**