

Financing Agrochemical Reduction and Management (FARM) in Ecuador

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10901

Countries

Ecuador

Project Name

Financing Agrochemical Reduction and Management (FARM) in Ecuador

Agencies

UNDP

Date received by PM

12/9/2022

Review completed by PM

4/11/2023

Program Manager

Evelyn Swain

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

The project objective needs work. It is a list of the components and GEBs, but it should clearly and concisely state the objective of the project instead.

ES, 3/14/23: Objective updated . Comment cleared.

Table B is consistent with the PFD.

Agency Response

UNDP response 03/13/23: adjusted

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 adequate and includes support from key stakeholders, including the private sector, governments, and CSOs.

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, PPG utilization is provided 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

Plastic waste avoided is missing from the core indicators. Please add indicator 9.8 on plastics avoided.

ES, 3/14/23: 8,400 MT of plastic waste will be avoided but it is not listed in core indicator 9.8. If this plastics will be addressed through the project it should be tracked through indicator 9.8.

ES, 4/11/23: Indicator 9.8 added. Comment cleared.

Agency Response

UNDP response 03/13/23: the FARM project PFD included GEF 7 indicator 5.3 on Marine Litter (incl. plastics). This indicator was however, not included at the Ecuador Child nor its PPG development phase.

The preliminary figures developed during the PPG phase indicate that 8,400 MT of plastic waste will be avoided (5 years of project implementation + 5 years after project completion ? see section on additional explanation on targets, other methodologies used, and other focal area specifics). This has been used for the calculation of GHG emissions reductions based on plastic waste downcycled and consequently avoided. Finally, as noted on the PRF, this data will be further developed during the implementation phase. Preliminary figures on avoided plastic waste could be included at the MTR.

03/16/23 UPDATE: 8,400 MT of downcycled plastic that are expected to result from the results of output 2.5: downcycling 2,400 MT during 5 years project implementation and 6,000 MT 5 years after project completion. This figure has been included into Indicator 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 the baseline scenario is elaborated, including the impacts of the COVID-19 pandemic and the Ukraine Conflict.

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 adequate and there are clear components and outcomes.

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 aligned with the CW focal area and the FARM PFD.

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 for each component is elaborated.

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

Plastics are missing from the GEBs. Since plastic is included in the project please add it to the discussion on GEBs.

ES, Plastics are still missing from the GEBs section. Please include in that section.

ES, 4/11/23: Indicator 9.8 added. Comment cleared.

Agency Response

UNDP response 03/13/23: UNDP response 03/13/23: the FARM project PFD included GEF 7 indicator 5.3 on Marine Litter (incl. plastics). This indicator was however, not included at the Ecuador Child nor its PPG development phase.

The preliminary figures developed during the PPG phase indicate that 8,400 MT of plastic waste will be avoided (5 years of project implementation + 5 years after project completion ?

see section on additional explanation on targets, other methodologies used, and other focal area specifics). This has been used for the calculation of GHG emissions reductions based on plastic waste downcycled and consequently avoided. Finally, as noted on the PRF, this data will be further developed during the implementation phase. Preliminary figures on avoided plastic waste could be included at the MTR.

03/16/23 UPDATE: 8,400 MT of downcycled plastic that are expected to result from the results of output 2.5: downcycling 2,400 MT during 5 years project implementation and 6,000 MT 5 years after project completion. This figure has been included into Indicator 9.8.

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-up are elaborated.

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Child Project

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation

phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes, a stakeholder analysis and engagement plan has been conducted, and includes relevant stakeholders.

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 analysis was completed and a gender action plan was included. Gender specific targets have been established.

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 is a key stakeholder and financier in the project.

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

Please include climate risks and pandemic related risks to the risk matrix.

ES, 3/14/23: Section 5 with the risk matrix needs to be updated to include a discussion on climate risks and pandemic related risks, even if those risks are expected to be low.

ES, 4/11/23: Risks addressed through different sections has been clarified. Comment cleared.

Agency Response

UNDP response 03/13/23: Climate and COVID-19 Pandemic Risk assessment are included on CEO Endorsement (Section 5, risk 8), PRODOC Table 13 (Risk 8), in UNDP Risk Register (Annex 6), SESP (annex 5), ESMF (Annex 9).

Although considered during the PPG phase (see special sub-section on Section Development Challenge), thankfully, the COVID-19 Pandemic risks have not been found to have an impact by the time of the Project Development.

03/16/23 UPDATE: climate and pandemic risks are not considered low and are discussed on separate sections.

COVID-19: PRODOC Page 17: COVID-19 pandemic and Russia-Ukraine Conflict impact in agricultural sector.

Climate Change:

- PRODOC Table 13: Risk 8: Flooding or other damage to interim storage facilities for stockpiles during the demonstration activities due to natural disasters

- ESMF. Table 2.2: Summary of safeguards triggered by the project and SES requirements: Standard 2: Climate Change and Disaster Risks. Moderate risk rating and requires inclusion within the Project's Environmental and Social Management Plan to be developed during the Project's implementation.

- Social and Environmental Screening Procedure: Standard 2 - Climate Change and Disaster Risks: This standard is triggered due to potential flooding or other damage to Ministry of Health Operated storage facilities at Guayaquil where DDT stockpiles will be stored due to natural disasters. Mitigation measures for this risk will be included in the ESMP that will be prepared for this activity.

- The Project's PRF presents a specific output that considers adaptation and mitigation of climate change: Output 2.3: Strengthening financial capacities to facilitate access to credit for farmers who use good practices. Create financing programs and risk management of value chains, applying concepts of green recovery considering environmental quality criteria (pollution), adaptation and mitigation of climate change.

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

The Implementing Partner for this project is the Ministry of Environment, Water and Ecological Transition (MAATE) with some support from UNDP requested. There is a letter from the OPF mentioning UNDP support, however the letter needs to specify exactly what the support services are that they requiring to have the implementing agency perform and the costs associated with those activities. An updated OPF letter is needed for this request.

There is an elaborated plan for coordination with other projects.

ES, 3/14/23: An updated OPF letter is needed. The letter needs to specify exactly what the UNDP support services are that they requiring to have the implementing agency perform and the costs associated with those activities.

ES, 3/11/23: An updated OPF letter is attached. Comment cleared

Agency Response

UNDP response 03/13/23: The signed OPF letter refers to the Letter of Agreement (LOA - attached) which will be signed by the MAATE and UNDP upon project initiation. The LOA includes detail and indicative transaction costs. In addition, Annex 11 ? Procurement Plan, includes additional details on the procurement processes that will be followed during project development.

03/23/23 UPDATE: Updated letter attached

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, this project is consistent with Stockholm NIP and SAICM.

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

Plastics is not included. Will there be plastics benefits?

ES, 3/14/23: See comments above on adding these benefits.

ES, 4/11/23: Comment cleared.

Agency Response

UNDP response 03/13/23: UNDP response 03/13/23: the FARM project PFD included GEF 7 indicator 5.3 on Marine Litter (incl. plastics). This indicator was however, not included at the Ecuador Child nor its PPG development phase.

The preliminary figures developed during the PPG phase indicate that 8,400 MT of plastic waste will be avoided (5 years of project implementation + 5 years after project completion ? see section on additional explanation on targets, other methodologies used, and other focal area specifics). This has been used for the calculation of GHG emissions reductions based on plastic waste downcycled and consequently avoided. Finally, as noted on the PRF, this data will be further developed during the implementation phase. Preliminary figures on avoided plastic waste could be included at the MTR.

03/15/23 UPDATE: 8,400 MT of downcycled plastic that are expected to result from the results of output 2.5: downcycling 2,400 MT during 5 years project implementation and 6,000 MT 5 years after project completion. This figure has been included into Indicator 9.8.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
STAP comments need to be clearly addressed.

ES, 3/14/23: STAP comments are still not clear. Please clearly respond to STAP relevant comments in the appropriate portal section. The STAP guidelines to scene comments does not need to be included so that should be removed from the portal.

ES, 4/11/23: STAP comments were an program level and taken into consideration. Comment cleared

Agency Response

UNDP response 03/13/23: Only the STAP comments relevant to our Project have been considered on the Responses. In addition, a separate document including all comments received has been uploaded (?GEF Council Comments UNDP_FARM_Comments?)

UNDP response 03/15/23: The STAP comments received are not applicable to the UNDP Child projects. However, recommendations for the Programme have been considered during the Project development in coordination with the lead agency as well as other Implementing agencies.

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

PPO has the following comments:

1. The Letter of Support signed by the OFP (attached) lacks ?as requested in Guidelines? a detailed explanation of the executing activities that UNDP aims to carry out.

2. On Gender: Kindly request the Agency to also summarize in the Gender Equality and Women's Empowerment section in the Portal the gender differences, gaps or opportunities linked to project/program objectives and activities.

3. On project information: the agency fee is missing. Please request the agency to include the \$360,000 as stipulated in table D of the PFD.

4. Status of Preparation of PPG lacks detailed explanation as requested in Portal. Please ask the Agency to present the details using the categories included in Guidelines instead of the lump sum amount per output that is currently in the letter.

ES, 4/13/23: PPO has the following comments

Child project to be returned to the Agency because only one comment provided on March 9 was addressed, the others were not (or were partially addressed):

- Comment on Implementing Agency carrying out executing functions: GPU Manager?s approval on the comment?s section is missed. Also, in the budget these executing functions appear to be manager by the Ministry, but actually it is UNDP who will manage the funds ? please ask the Agency to amend.

- Comment on Gender was not addressed: kindly request the Agency to also summarize in the Gender Equality and Women's Empowerment section in the Portal the gender differences, gaps or opportunities linked to project/program objectives and activities.

- Status of utilization of PPG: while the table is now complete, it is not readable (which is important for Council Member and general public) as there are some overlaps and the table goes off the margins. Please ask the Agency to amend.

Agency Response

1. UNDP response 03/13/23: The signed OFP letter refers to the Letter of Agreement (LOA - attached) which will be signed by the MAATE and UNDP upon project initiation. The LOA includes detail and indicative transaction costs. In addition, Annex 11 ? Procurement Plan, includes additional details on the procurement processes that will be followed during project development.

2. UNDP response 03/13/23: Adjusted

3. UNDP response 03/13/23: Agency fee is included in table D

4. UNDP response 03/13/23: Updated

UNDP response 04/14/23

- Comment on Implementing Agency carrying out executing functions: GPU Manager's approval on the comment's section is missed. Also, in the budget these executing functions appear to be manager by the Ministry, but actually it is UNDP who will manage the funds ? please ask the Agency to amend.

UNDP response 04/14/23: as detailed on Section IX of the PRODOC, the UNDP implementing agent is the MAATE. In addition, the GEF budget indicates that the responsible entity is MAATE.

Furthermore, PRODOC Section VII specifies roles and responsibilities for the implementation of the project. The Country Office support to National Implementation requires all processes to be approved by the PSC and upon request of the Executing Partner. Although the budget resides at the UNDP Country Office, it does not have control of the management of the funds.

- Comment on Gender was not addressed: kindly request the Agency to also summarize in the Gender Equality and Women's Empowerment section in the Portal the gender differences, gaps or opportunities linked to project/program objectives and activities.

UNDP response 04/14/23: The text available on the portal has been strengthened with an introductory analysis.

- Status of utilization of PPG: while the table is now complete, it is not readable(which is important for Council Member and general public) as there are some overlaps and the table goes off the margins. Please ask the Agency to amend.

UNDP response 04/14/23: the table has been re-pasted on the portal.

Council comments

Secretariat Comment at CEO Endorsement Request Yes, Council comments are addressed.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

The STAP comments from the Council meeting and UNDP's response is not clear. Please provide a clear and concise response to relevant comments from STAP on the program.

ES, 3/14/23: STAP comments are still not clear. Please clearly respond to STAP relevant comments in the appropriate portal section. The STAP guidelines to scene comments does not need to be included so that should be removed from the portal.

ES, 4/11/23: STAP comments were an program level and taken into consideration. Comment cleared

Agency Response

UNDP response 03/13/23: Only the STAP comments relevant to our Project have been considered on the Responses. In addition, a separate document including all comments received has been uploaded (?GEF Council Comments UNDP_FARM_Comments?)

UNDP response 03/15/23: The STAP comments received are not applicable to the UNDP Child projects. However, recommendations for the Programme have been considered during the Project development in coordination with the lead agency as well as other Implementing agencies.

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 PPG utilization was provided.

Agency Response

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 need to be addressed.

ES, 3/14/23: Not at this time. Several issues need to be addressed.

ES, 4/13/23: PPO has the following comments

Child project to be returned to the Agency because only one comment provided on March 9 was addressed, the others were not (or were partially addressed):

- Comment on Implementing Agency carrying out executing functions: GPU Manager's approval on the comment's section is missed. Also, in the budget these executing functions appear to be manager by the Ministry, but actually it is UNDP who will manage the funds ? please ask the Agency to amend.

- Comment on Gender was not addressed: kindly request the Agency to also summarize in the Gender Equality and Women's Empowerment section in the Portal the gender differences, gaps or opportunities linked to project/program objectives and activities.

- Status of utilization of PPG: while the table is now complete, it is not readable (which is important for Council Member and general public) as there are some overlaps and the table goes off the margins. Please ask the Agency to amend.

ES, 4/25/23: PPO comments have been addressed. CEO Endorsement is recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	3/3/2023	

**Secretariat Comment at
CEO Endorsement****Response to
Secretariat comments**

Additional Review (as necessary)	3/13/2023
Additional Review (as necessary)	3/14/2023
Additional Review (as necessary)	4/11/2023
Additional Review (as necessary)	4/25/2023

CEO Recommendation**Brief reasoning for CEO Recommendations**

This is a child project under the FARM Program, and follows the objectives and components of the PFD and will contribute to the overall program. The project will reduce the global use of harmful agrochemicals by supporting farmers to access finance, innovative and sustainable production practices, and competitively access consumer markets in Ecuador. The project will provide policy and investment frameworks to incentivize reduction in use of harmful agrochemicals, and regulatory frameworks will enhance sound agricultural chemicals management. It will also support widespread adoption of innovative safer alternatives and sustainable agricultural practices to reduce demand for agrochemicals and effectively replace them. Agrochemical waste will be identified, and sustainably managed through strengthened waste management reduction or recycling systems. Finally, information and KM platforms will catalyze evidence-based decision-making and investments and enhance FARM scale-up, replication and impact.

There will be several GEB's generated through this project, including the reduction of 58 MT POPs and HHP, 8,400MT plastics, 19.7gTEQ UPOPs, and 1128 MTCO₂eq