

Eliminating hazardous chemicals from supply chains in Mongolia

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11171

Countries

Mongolia

Project Name

Eliminating hazardous chemicals from supply chains in Mongolia

Agencies

UNDP

Date received by PM

6/27/2024

Review completed by PM

11/20/2024

Program Manager

Anil Sookdeo

Focal Area

Multi Focal Area

Project Type

FSP

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

Please change field for ?region? (not list the country name)

Nov 5, 2024 - Noted, comment cleared.

Agency Response

This cannot be altered on the GEF portal. UNDP has requested the WB webmaster for assistance in order to address this comment.

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

Please fill out Rio Markers in alignment with Core Indicators (e.g. see CCM)

Nov 5, 2024 - comment cleared

Agency Response

2. Project Summary.

a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?

b) Does the summary capture the essence of the project and is it within the max. of 250 words?

c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?

Secretariat comment at CEO Endorsement Request

The summary needs to include a short description of the activities rather than the restating the transformation levers.

Oct 15, 2024 - please amend the project summary as requested.

Nov 5 2024 - comment cleared

Agency Response^{adjusted}

3. Project Description Overview

- a) Is the project objective statement concise, clear and measurable?
- b) [If a child project under a program] Is there a project Theory of Change that is aligned and consistent with the overall program goal and approach?
- c) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?
- d) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
- e) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
- f) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

The project objective needs to be written to be measurable. The Project Description Overview aligns with the PFD/the overarching program but for a child project this remains too generic and does not reflect any sign of specific considerations of the cashmere and leather supply chains in Mongolia.

The aspects of policy coherence to align financial flows towards a transformed sector is not sufficiently highlighted in the project overview. Please reframe the outcomes to include these important transformative outcomes.

The Project Description Overview aligns with the PFD/the overarching program but for a child project this remains too generic and does not reflect any sign of specific considerations of the cashmere and leather supply chains in Mongolia.

- The project does not seem to address the need to enforce existing regulatory requirements, incl. those for wastewater pretreatment e.g. at the leather tanneries, and at the same time creating provisions for SMEs to incentivize and provide finance for pretreatment of wastewater at source/ at the tanneries.

- Could the project provide support in form of finance to increase the processing of cashmere and leather to final products in country with the increased profit margin also allowing for more stringent environmental regulations and pre-treatment at production facilities?

Oct 15, 2024 - Comment addressed and noted on the inability to reframe outcomes at this time. That being the case please work with the country to address this during the inception workshop and report at the first PIR.

Agency Response

Thanks for this comment. It is rewritten as follows: Promote transformation change in the cashmere and leather supply chains by replacing resource-intensive chemical processes and materials with sustainable alternatives and by eliminating/reducing chemical waste in Mongolia.

- Please, due to policy coherence developed during the implementation of the PPG, and validated with the Executing Agency (MOFALI), outcomes cannot be reframed.

- Please note that more specific references to respond to this comment have been added in the text presented throughout the text in under the Project Approach Section of CEOER and Section IV of ProDoc (marked in red).

- For the enforcement of existing regulatory requirements, this is well covered under Outcome A of Component 1 on page 29 of CEOER and on page 47 of ProDoc.

More specifically, please refer to the proposed activities under Output A.1, i.e.:

- i. Assessing national environmental policies and regulations (standards and certifications) in the cashmere and leather industry.
- ii. Strengthening a policy and regulatory framework through guidelines and standards for sustainable grazing management.

Under this activity, it is clearly stated that: "Following up the current review of the Law on Waste to align this child project with new national policies and the White Gold National Action Program from the lens of chemicals". (please, refer to page 49 of ProDoc).

- iii. Enhancing eco-label standards for cashmere and leather products for transparency and traceability.

To incentivize and provide means of finance for pretreatment of wastewater at source/ at the tanneries, the child project has recognized this context in the supply chain of cashmere, as a major hurdle since the Theory of Change Analysis (please, refer to the Technological Drivers on page 36 of ProDoc, which clearly states: "One key challenge is wastewater from primary processing plants with high turbidity, Chemical Oxygen Demand (COD) and pH values which can be out of permitted ranges. These plants must comply with national standards related to pollution control and requirements on disposed wastewater. However, across the processing industry wastewater treatment practices are found to be largely inadequate, outdated, or non-existent").

As a means to incentivize an alternative path to this context, the proposed pilot projects to be carried out under Section IV of ProDoc include provisions for SMEs to cope with this context.

In addition, during the PPG stage, the project has identified key financial partners in the financial sector for SMEs, such as the Credit Guarantee Fund (CGF) and the Mongolian Sustainable Finance Association.

- Thanks for this comment. Yes, financial mechanisms, considering the governance setting in Mongolia, were identified during the PPG that could be applied or adopted to leverage investments during the execution of the child project. This action will promote closing the gap between market demand and availability of green finance to implement sustainable, green production. For a detailed description of the financial mechanisms, please refer to Table 6 "Financial mechanisms to leverage further investments" of Activity B.1.iii on page 55 of ProDoc

response to Oct. 15 comment: noted

4. Project Outline

A. Project Rationale

- a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?
- b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?
- c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement Request

The project rationale in the document is generally sound, presenting a compelling case for the need to address hazardous chemicals in Mongolia's cashmere and leather supply chains. It effectively highlights the environmental and economic challenges posed by unsustainable practices in these industries, emphasizing the negative impacts on land degradation, water pollution, greenhouse gas emissions, and public health. The rationale also underscores the importance of the project in achieving Mongolia's commitments to various multilateral environmental agreements (MEAs) and promoting sustainable development.

However, certain aspects of the rationale could be further strengthened to enhance the project's clarity and impact:

Clearer articulation of the problem: While the rationale provides a detailed overview of the environmental and economic challenges, it could benefit from a more concise and focused problem statement that clearly identifies the root causes of the unsustainable practices and their interlinkages.

Stronger emphasis on health impacts: The rationale could provide more specific evidence and data on the health impacts of hazardous chemicals on workers, herders, and local communities, further highlighting the urgency of the project.

Enhanced focus on gender dimensions: While the rationale acknowledges the role of women in the cashmere and leather industries, it could be strengthened by explicitly addressing the gender-specific impacts of hazardous chemicals and the potential for the project to empower women and promote gender equality.

Clearer articulation of the project's transformative potential: The rationale could more explicitly articulate how the project's integrated approach, combining technical assistance, pilot projects, and capacity building, will lead to transformative change in the cashmere and leather industries.

Stronger emphasis on innovation and technology: The rationale could highlight the role of innovation and technology in promoting sustainable practices and reducing the use of hazardous chemicals,

showcasing the project's potential to catalyze the adoption of cleaner production technologies and circular business models.

The Stakeholder Plan (SEP) outlines key stakeholder groups and organizations but does not elaborate on their specific roles and responsibilities related to project components and outputs. Please provide additional information on the specific roles and responsibilities of key stakeholder groups and organizations as well as the means and timing of engagement.

Oct 15, 2024 - comments cleared.

Agency Response

- Clearer articulation of the problem: Adjusted as follows:

The above causes interact with one another reinforcing worst practices in the cashmere and leather sector in Mongolia. The unsustainable management of livestock, outdated industrial processes, and emerging global environmental challenges contribute to jeopardize the country's position in the cashmere garment production worldwide. Following the principles stated in the Programme Framework Document (PFD), these factors need to be overcome to achieve transformational change in accordance with the rationale that underpins the intervention principles of this child project. Please, refer to a new paragraph added on page 24 on CEO Endorsement Request (CEOER) and page 37 of ProDoc.

- Stronger emphasis on health impacts: Please, refer to a new paragraph added on page 15 of CEOER and page 22 of ProDoc.

- Enhanced focus on gender dimensions: Please, refer to Annex 10 of the Gender Action Plan, specifically, to gender activities presented for each outcome.

In addition, capacity building and pilot project activities were reinforced with the integration of the gender equality approach, as per the same Annex 10.

- Clearer articulation of the project's transformative potential: Please, refer to Figure 4 and a new paragraph on page 28 of CEOER and paragraph 117 on page 42 of ProDoc.

- Stronger emphasis on innovation and technology: The intent to present Table 5 at the beginning of Section IV is precisely to highlight the key role of innovation and technology in promoting sustainable practices and reducing the use of hazardous chemicals through the implementation of significant pilot project interventions. This list of pilots was the result of extensive consultations with key stakeholders during the PPG, to showcase the project's transformative potential.

- Stakeholder Plan (SEP): Please, refer to Annex 8 ?Stakeholder Engagement Plan?, Table 2 ?Project's Stakeholders and their roles?, for a detailed role of key stakeholder groups and organizations. The means and timing of engagement will be discussed and defined during the inception stage at the beginning of implementation, as agreed with the Executing Agency (MOFALI) during the PPG.

5 B. Project Description

- 5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?**
- b) [If a child project under a program] Is the Theory of change aligned with and consistent with the overall program goal and approach?**
- c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program goal and approach?**
- d) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?**
- e) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?**
- f) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?**
- g) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?**
- h) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?**
- i) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?**
- j) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?**
- k) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?**
- l) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?**
- m) Transformation and/or innovation: Is the project going to be transformative or innovative? [If a child project under an integrated program] Are the specific levers of transformation identified and described? Does it explain scaling up opportunities?**

Secretariat comment at CEO Endorsement Request

Gender Considerations

The project recognizes the importance of gender equality and women's empowerment, with a Gender Action Plan (GAP) in place to address gender gaps and promote women's participation. However, gender considerations could be further integrated into the project's design and implementation. For instance, the project could:

Conduct a gender analysis at the outset to identify specific gender roles, needs, and constraints within the cashmere and leather value chains. This analysis would inform the design of gender-responsive interventions and ensure that the project's benefits are equitably distributed.

Set specific gender targets for each project component and output, ensuring that women are not only beneficiaries but also active participants in decision-making processes.

Strengthen the capacity of women through targeted training and mentorship programs, enabling them to take on leadership roles and participate in the green economy.

Monitor and evaluate the project's impact on gender equality using gender-sensitive indicators, ensuring that progress is tracked and any unintended negative consequences are addressed.

Private Sector Participation

The project emphasizes private sector engagement, recognizing its crucial role in achieving sustainable supply chains. However, private sector participation could be further strengthened by:

Establishing clear incentives for private sector actors to adopt sustainable practices, such as access to preferential financing, market recognition, or technical assistance.

Fostering public-private partnerships to leverage private sector expertise and resources in developing and implementing innovative solutions.

Creating platforms for dialogue and collaboration between the private sector, government, and other stakeholders to facilitate knowledge sharing and joint action.

Developing capacity-building programs for private sector actors to enhance their understanding of sustainable practices and their ability to implement them.

Strengthening Policy

The project aims to strengthen the policy and regulatory framework for sustainable production and consumption. However, policy strengthening could be further enhanced by:

Conducting a comprehensive policy review to identify gaps and inconsistencies in existing regulations and standards related to hazardous chemicals and waste management in the cashmere and leather industries.

Developing and implementing clear and enforceable regulations that promote the use of sustainable alternatives and discourage the use of hazardous chemicals.

Strengthening the capacity of regulatory agencies to monitor and enforce compliance with environmental standards.

Promoting policy coherence across different sectors, such as agriculture, industry, and environment, to ensure that policies are aligned and mutually supportive.

Strengthening Access to Finance

The project recognizes the importance of access to finance for promoting sustainable practices. However, access to finance could be further strengthened by:

Developing innovative financial mechanisms, such as green bonds or sustainability-linked loans, to provide affordable financing for sustainable investments in the cashmere and leather industries.

Partnering with financial institutions to develop and promote green financial products and services tailored to the needs of herder communities and local producers.

Providing technical assistance to help herders and producers develop bankable project proposals and access available financing.

Creating a credit guarantee scheme to de-risk lending to the cashmere and leather sectors, particularly for small and medium-sized enterprises (SMEs).

The problem tree analysis (and diagram) does not address the supply chain for either leather or cashmere and focusses on the processing. While this can make a great difference in terms of environmental impacts and human health, it is better to state this upfront. Also, please eliminate formulations that may have slipped in from the Ecuador project mentioning bamboo, abaca and cotton.

Several of the descriptions lack detail and specificity such as mentioning "a group of GEF projects" without indicating what projects and how they are related to the project.

- Please include the PDO in the ToC narrative.

- Please assure that gender concerns as well as needs of youth are incorporated across the component design. As example: component 1 does not mention women or youth despite their frequent role in safeguarding animal herds.

Stating that the child project is fully aligned to the PFD is insufficient. Please provide details on this.

- Component 1: the description mentions regulations to limit herd size. Please include consideration of how to incentivize herders to do so, e.g. via proof of benefits in the pilots and capturing/monitoring the impacts on household incomes. As per the project outline the loss in herd size is expected to be balanced by an increase of animal health and cashmere quality which needs to be demonstrated/validated by the pilots.

- How will the pilots be implemented and with what counterparts in order to set the ground for upscaling successful interventions past project closure? Are there any in country extension agents, farmer associations etc. that are engaged and would create continuity?

- Component 2: Innovative materials: it is not clear what these are, yet on the other hand the component outlines various positive activities and exploring finance models to decrease chemicals use in cashmere and leather production. Again, gender is not mentioned anywhere nor any other vulnerable or marginalized groups.

- Component 4: is it really training of herders and/or factory workers in handling chemicals that addresses the problems of exposure to or use of chemicals? E.g. do workers in the leather processing facilities have access to any protective gear?
- Please revisit indicators and targets in the Results Framework (RF): often there is a simple count of e.g. such as ?number of private sector stakeholders participating and adopting IP solutions? with target of 1 and midterm and 3 at end of project. Especially counting of private sector players across the RF does little to measure impact unless there is a description of the type or size of these actors. Also, several of these targets seems quite low. Same is true for ?number of agreements signed? with interested parties?.
- Please eliminate reference to Ecuador project e.g. indicator 15 baseline: ?Knowledge on chemicals management in construction and fashion is not always readily available.?
- In sum: the component description could be much clearer in how and with whom the project will work and how the various pilots are set up to assure scale-up past project closure. Across the project description e.g. no specific private sector counterparts are mentioned locally or globally with which the project aims to work with.
- ESMF: Please make sure grievance mechanisms are well established during implementation and accessible by local stakeholders.
- Please create clearer linkages with related programs incl. those already in place relating to improving herding related land management.

October 15, 2024 - Comments cleared.

Agency Response

Conduct a gender analysis at the outset to identify specific gender roles, needs, and constraints within the cashmere and leather value chains. This analysis would inform the design of gender-responsive interventions and ensure that the project's benefits are equitably distributed.

R:/ Thanks for this comment.

Please refer to page 43 of CEOER and page 65 on ProDoc for Act. E.1.iii ?Designing and implementing a strategy pertaining to gender integration and child labor issues in the cashmere and leather manufacturing industry?.

This comment is also considered in Annex 4 ?Multiyear Work Plan? of ProDoc.

Set specific gender targets for each project component and output, ensuring that women are not only beneficiaries but also active participants in decision-making processes.

R:/ Please, refer to the Gender Action Plan in Annex 10, specifically, to Gender-sensitive Indicators and the Gender-target for each Output of the child project.

Strengthen the capacity of women through targeted training and mentorship programs, enabling them to take on leadership roles and participate in the green economy.

R:/ Please, refer to the Gender Action Plan in Annex 10, specifically to the proposed 'Gender-related activity' column.

Monitor and evaluate the project's impact on gender equality using gender-sensitive indicators, ensuring that progress is tracked and any unintended negative consequences are addressed.

R:/ Please, refer to the Gender Action Plan in Annex 10, specifically, to 'Gender-sensitive Indicators' column.

The project emphasizes private sector engagement, recognizing its crucial role in achieving sustainable supply chains. However, private sector participation could be further strengthened by:

Establishing clear incentives for private sector actors to adopt sustainable practices, such as access to preferential financing, market recognition, or technical assistance.

R:/ Thanks for this comment.

Indeed, these are key factors for success under the rationale of this child project, that have already been considered under the following outputs:

Access to preferential financing: Output B.1,

Market recognition: Output D.1.

Technical assistance: Output A.2 (including pilot interventions), Output B.1, Output C.1 (including pilot interventions), Output E.1 (including pilot intervention)

Fostering public-private partnerships to leverage private sector expertise and resources in developing and implementing innovative solutions.

R:/ Yes, these aspects have already been considered in activities under Output D.1 'Sustained trading processes between private suppliers and buyers for more sustainable products and circular business models' (please, refer to page 40 of CEOER).

Creating platforms for dialogue and collaboration between the private sector, government, and other stakeholders to facilitate knowledge sharing and joint action.

R:/ Yes, in addition to supporting the existing Mongolian Sustainable Cashmere Platform, and as agreed during the preparation of the ProDoc, this child project will support and obtain access through the GEF/UNEP Global Coordination Child Project platform, for overall coordination and knowledge management (please, refer to Sub-section 4.4.2 South-south cooperation of ProDoc on page 78 of ProDoc).

Developing capacity-building programs for private sector actors to enhance their understanding of sustainable practices and their ability to implement them.

R:/ Capacity-building programs for private sector actors have been designed during the PPG under the following outputs: Output A.1: Policy environment enabled for design sustainability and circularity, through the following activity:

Activity A.1.iii: Enhancing eco-label standards for cashmere and leather products for transparency and traceability.

Output A.2: Strengthened the capacity of public planners, corporations, producers, and academia using circular business models, through the following activities:

Activity A.2.i: Strengthening capacity building to key market stakeholders to promote innovation and learning in circularity, by supporting supplier/buyer exchange information knowledge systems, both nationally and globally (e.g., the Fashion Pact), with a focus on youth and women's owned businesses.

Activity A.2.ii: Designing, implementing, and validating innovative circular business models in the textile (cashmere and leather) value chain.

Output B.1 A more favorable environment is enabled for innovative materials to substitute non-renewable materials, through the following activities:

Activity B.1.i: Conducting a lifecycle assessment to identify key entry points for improving resource efficiency and encouraging circular design of materials, products and services.

Activity B.1.iii: Leveraging financing to support cashmere herder communities and leather producers.

Output C.1 National stakeholders strengthened to support sustainable reductions of inputs along most significant supply chains, through the following activity:

Activity C.1.i Strengthening capacities to search for alternatives to harmful chemicals, mainly through the execution of pilot projects together with the private sector.

Output D.1 Sustained trading processes between private suppliers and buyers for more sustainable products and circular business models, through the following activities:

Activity D.1.i Sharing experiences and knowledge through a multistakeholder knowledge network.

Activity D.1.ii Creating strategic alliances with cashmere wool and leather manufacturers, customers and academia.

Activity D.1.iii Promoting trading of national domestic processing companies from herders? cooperatives with global buyers.

The project aims to strengthen the policy and regulatory framework for sustainable production and consumption. However, policy strengthening could be further enhanced by:

Conducting a comprehensive policy review to identify gaps and inconsistencies in existing regulations and standards related to hazardous chemicals and waste management in the cashmere and leather industries.

R:/ Please, refer to:

For the policy review: Sub-section 2.4.2 Legal and Regulatory Framework associated with the Textile Sector, on page 26 of ProDoc.

Gaps and inconsistencies in Political drivers, under the ToC Analysis, on page 35 of ProDoc.

Developing and implementing clear and enforceable regulations that promote the use of sustainable alternatives and discourage the use of hazardous chemicals.

R:/ Please, refer to the following activities under Output A.1, on page 47 of ProDoc:

Activity A.1.i Assessing national environmental policies and regulations (standards and certifications) in the cashmere and leather industry.

Activity A.1.ii Strengthening a policy and regulatory framework through guidelines and standards for sustainable grazing management.

Strengthening the capacity of regulatory agencies to monitor and enforce compliance with environmental standards.

R:/ Indeed, Activity A.1.ii, mentioned above, during the first year of the child project's implementation, will elaborate an in-depth analysis of the main products used in the textile industry based on their chemical composition and the presence of harmful substances, like POPs and UPOPs and will strengthen the capacity of regulatory agencies to monitor and enforce compliance with environmental standards (please, refer to the specific actions presented on page 30 of CEOER and page 47 of ProDoc).

Promoting policy coherence across different sectors, such as agriculture, industry, and environment, to ensure that policies are aligned and mutually supportive.

R:/ One of the key actions, under Activity A.1.ii, will strengthen institutional capacity in terms of making a common information knowledge system based on the existing Mongolian Sustainable Cashmere Platform, which represents a broad range of stakeholders from the public and private sectors, CSOs, and academia, directly related to the agriculture, industry, and environment sectors (please, refer to page 30 of CEOER and page 47 of ProDoc).

Strengthening Access to Finance

The project recognizes the importance of access to finance for promoting sustainable practices. However, access to finance could be further strengthened by:

Developing innovative financial mechanisms, such as green bonds or sustainability-linked loans, to provide affordable financing for sustainable investments in the cashmere and leather industries.

R:/ Thanks for the input.

Indeed, Table 6, on page 55 of Section IV of the ProDoc, includes feasible financial instruments available in the country, including both suggestions, green bonds and sustainability-linked loans. In this regard, the child project will support the Government of Mongolia's Soft Loan Program to provide loans to processing factories to increase domestic processing and production capacity.

Partnering with financial institutions to develop and promote green financial products and services tailored to the needs of herder communities and local producers.

R:/ Thanks for this input.

Yes, this was analyzed during the PPG stage. As a result, the Green Bonds financial instrument was included as a means to assist the Government of Mongolia with public policy to increase financing and structure concessional loans under green criteria to respond to the needs of herder communities and local producers.

In addition to direct lines of credit designed for this group of stakeholders, the project has identified key financial partners such as the Credit Guarantee Fund (CGF) and the Mongolian Sustainable Finance Association.

Providing technical assistance to help herders and producers develop bankable project proposals and access available financing.

R:/ Yes, Activity B.1.iii ?Leveraging financing to support cashmere herder communities and leather producers?, under Output B.1 describes how the child project will work with financial intermediaries, enabling entrepreneurs to access finance to promote businesses that can supply new materials and products, de-risk financing, promote innovative competitiveness and incentivized green procurement between herders? cooperatives and global buyers (please, refer to Table 6 on page 55 of ProDoc).

Creating a credit guarantee scheme to de-risk lending to the cashmere and leather sectors, particularly for small and medium-sized enterprises (SMEs).?

R:/ Yes.

Precisely, as a means to scale-up the impact of this project by supporting financial intermediaries to develop or improve financial products for the cashmere and leather sectors (as presented in Table 6 on page 55 of ProDoc) and build their capacity to undertake financial risk assessments to be continued after the project ends.

The child project, through the PMU, will gear this process in a way that these innovative financial practices are well documented and broadly disseminated to help de-risk both sectors in Mongolia (please, refer to Sub-section 4.7.3 Potential for Scaling Up on page 81 of ProDoc).

The problem tree analysis (and diagram) does not address the supply chain for either leather or cashmere and focusses on the processing. While this can make a great difference in terms of environmental impacts and human health, it is better to state this upfront. Also, please eliminate formulations that may have slipped in from the Ecuador project mentioning bamboo, abaca and cotton.

R:/ Thank you for both observations.

Please, note the following adjustment on page 18 of the CEOER and page 32 of the ProDoc:

?The analysis of the development challenge carried out at the PPG stage for the preparation of the problem tree has distinguished three different levels of causes for eliminating hazardous chemicals from the cashmere and leather processing supply chains.

This was done within the framework of national and international guidelines on chemical substances and hazardous waste management, considering immediate causes , underlying causes and structural/root causes . Nevertheless, impacts on human health and environment are significant in both supply chains but beyond the scope of the ToC analysis?.

Sorry for the slip mentioning bamboo, abaca and cotton on page 24 of CEOER, it is already amended.

Several of the descriptions lack detail and specificity such as mentioning "a group of GEF projects" without indicating what projects and how they are related to the project.

- Please include the PDO in the ToC narrative.

R:/ Done, please refer to page 18 of the CEOER.

- Please assure that gender concerns as well as needs of youth are incorporated across the component design. As example: component 1 does not mention women or youth despite their frequent role in safeguarding animal herds.

R:/ Thank you for this comment.

Please refer to the added sentence on page 29 of CEOER and page 47 of the ProDoc.

- Stating that the child project is fully aligned to the PFD is insufficient. Please provide details on this.

R:/ Added. Please refer to the added sentence on page 28 of CEOER and page 42 of the ProDoc.

- Component 1: the description mentions regulations to limit herd size. Please include consideration of how to incentivize herders to do so,

e.g. via proof of benefits in the pilots and capturing/ monitoring the impacts on household incomes. As per the project outline the loss in herd size is expected to be balanced by an increase of animal health and cashmere quality which needs to be demonstrated/validated by the pilots.

R:/ Please, refer to Pilot Project #1.4: ?Support in involving more herder cooperatives in implementing the Responsible Nomads Standard within the raw material supply chain?, that has been designed to improved sustainability of the cashmere and leather supply chains.

This pilot intervention will support two model cooperatives in each sum of Khuvsgul and Gobi-Altai Provinces and introducing the Responsible Nomads Code of Practice (RNCP) for Pasture Management, which includes, among other activities, herders? training to improve pasture management, in accordance with the RNS.

For further details, please refer to page 52 of ProDoc.

- How will the pilots be implemented and with what counterparts in order to set the ground for upscaling successful interventions past project closure? Are there any in country extension agents, farmer associations etc. that are engaged and would create continuity?

R:/ Yes, each of the pilot interventions proposed in this child project has been planned with key stakeholders that were fully engaged during the PPG. Their participation will be validated during the inception phase and a summary of counterparts and locations is presented in Table 5 ?Proposed pilot project interventions in Mongolia?. Please refer to page 44 of ProDoc.

- Component 2: Innovative materials: it is not clear what these are, yet on the other hand the component outlines various positive activities and exploring finance models to decrease chemicals use in cashmere and leather production. Again, gender is not mentioned anywhere nor any other vulnerable or marginalized groups.

R:/ Thanks for this comment.

Precisely, the rationale behind the proposed activities under Component 2 is to conduct a lifecycle assessment to identify key entry points for improving resource efficiency and encouraging circular design of materials, products and services to increase the value-added of the raw materials through innovation and learning.

As indicated on page 57 of ProDoc, these activities will be aligned with the pilot project-driven activities C.1.i and C.1.ii that have been initially proposed, for instance, to eliminate and substitute azo and other prohibited dyes currently used in the cashmere dyeing processing and protein recovery from discharged skins and hides to produce high value by-products.

Response to gender and vulnerable groups was included on page 35 of CEOER and page 55 of ProDoc.

- Component 4: is it really training of herders and/or factory workers in handling chemicals that addresses the problems of exposure to or use of chemicals? E.g. do workers in the leather processing facilities have access to any protective gear?

R:/ Yes, training of herders through rural cooperatives in the selected territories (aimags) and factory workers in Ulaanbaatar will address the problems of exposure to or use of chemicals in a holistic manner. Please, check the actions proposed in the pilot interventions which includes, for instance, practical training for technological staff and workers on best practices and the technical guidelines and handouts with the expectation that participants will become the primary agents for disseminating knowledge within their respective areas of work.

- Please revisit indicators and targets in the Results Framework (RF): often there is a simple count of e.g. such as "number of private sector

stakeholders participating and adopting IP solutions" with target of 1 and midterm and 3 at end of project. Especially counting of private sector players across the RF does little to measure impact unless there is a description of the type or size of these actors. Also, several of these targets seems quite low. Same is true for "number of agreements signed" with interested parties".

R:/ Yes, done.

Indicators #10 (Number of pilot projects implemented), #11 (Number of private sector and NGO stakeholders participating and adopting IP11 solutions), and #14 (Number of private sector stakeholders participating and adopting IP solutions), have been adjusted to measure a higher impact.

- Please eliminate reference to Ecuador project e.g. indicator 15 baseline: "Knowledge on chemicals management in construction and fashion is not always readily available."

R:/ Thanks, amended.

- In sum: the component description could be much clearer in how and with whom the project will work and how the various pilots are set up

to assure scale-up past project closure. Across the project description e.g. no specific private sector counterparts are mentioned locally

or globally with which the project aims to work with.

R:/ Thanks for this comment.

As indicated in Table 5 of Prodoc on page 43, to scale up child project's results after completion, the child project will work with private sector representatives from six herders' cooperatives located in Gobi-Altai and Khuvsgul Provinces and a group of SMEs located in the cities of Ulaanbaatar and Darkhan. These SMEs have been motivated to participate during the PPG, but will be officially engaged during the first year of implementation (please, see added paragraph on page 33 of CEOER and page 49 of the ProDoc).

Under Component 3, pilot interventions have been approached with at least six private sector textile and leather producers and raw material producers, i.e.: Gobi JSC, Khan Bogd Cashmere LLC, Goyol LLC, Bulgaar JSC, Bluesky LLC, located in the Capital City of Ulaanbaatar, and one raw material supplier, i.e.: Torgon shir beltgel LLC (please, refer to page 39 of CEOER and page 57 of the ProDoc).

- ESMF: Please make sure grievance mechanisms are well established during implementation and accessible by local stakeholders.

R:/ Yes, according to Section 6.2 of Annex 9 (ESMF), the project will establish a project-level GRM at the start of implementation. The GRM will be developed in line with UNDP Social and Environmental Standards that require access and dissemination of this mechanism to all stakeholders including local communities.

- Please create clearer linkages with related programs incl. those already in place relating to improving herding related land management.

R:/ Please, refer to Table 10 "Partnerships of the FSP" on page 71 of ProDoc for a detailed description of child project's partners, including those already engaged on herding related management, for instance, the rural administrative units in the Khuvsgul Province and Gobi-Altai Province, where capacity building for herder cooperatives will take place.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

- a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?**
- b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?**
- c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).**
- d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?**

Secretariat comment at CEO Endorsement Request

The document clearly outlines the rationale for the execution arrangements, designating the Ministry of Food, Agriculture and Light Industry as the Implementing Partner responsible for project execution. The Ministry of Environment and Tourism is identified as a potential Responsible Party, tasked with supporting the project's objectives through policy implementation, capacity building, and technical assistance. The involvement of these ministries is logical, given their respective mandates and expertise in areas crucial to the project's success.

The document also states that UNDP will play an execution role, providing oversight and ensuring adherence to policies and procedures. The justification for this self-execution lies in UNDP's accountability to the GEF for project implementation and its responsibility for project assurance. The document further clarifies that UNDP retains the authority to revoke, suspend, or cancel the project if necessary. Please clarify why this is necessary.

The document briefly mentions coordination with other GEF projects but lacks depth and specificity. It states that the project will "ensure coordination and count on the capacity built and knowledge gathered from concurrent initiatives and projects that are already in progress," and lists examples like the Multilateral Environmental Agreements (MEAs) Action Plans. It also mentions collaboration with global-level initiatives like the Textile Exchange and the Fashion Pact.

However, the description lacks details on the specific mechanisms for coordination, the nature of the collaboration, and the expected outcomes of such coordination efforts. It would be beneficial to elaborate on how the project will actively engage with these other initiatives, share knowledge and lessons learned, and avoid duplication of efforts.

Additionally, the document could identify potential synergies and opportunities for collaboration with specific ongoing GEF projects in Mongolia or the region, demonstrating a more proactive and strategic approach to coordination.

The framework for coordination and collaboration in the document aligns with the program's ambition for transformative change but could be more robust. The project emphasizes the importance of partnerships and knowledge sharing, which are crucial for achieving systemic change. It also highlights the need for coordination with other GEF projects and global initiatives to leverage existing resources and avoid duplication of efforts.

However, the document could benefit from a more explicit and detailed articulation of the coordination and collaboration mechanisms. It could outline specific strategies for engaging with stakeholders, sharing knowledge and lessons learned, and fostering collaboration across different levels (local, national, and global). A more robust framework would demonstrate a stronger commitment to achieving the program's transformative goals.

Oct 15, 2024 - Please note that the execution arrangements need to be discussed with the GEF PM and approved by the Manager of Programs. Please provide a letter from the OFP with clear details on the execution services to be provided by UNDP including the cost to the project as a percentage of the GEF grant (excluding PMC).

Nov 5, 2024 - Discussed and approved by Manager of Programs. Email approval uploaded into the portal documents tab. Comment cleared.

Agency Response

R./ UNDP has been requested to provide certain operational execution support services to supplement a number of capacity gaps on the part of the Government and has submitted this for approval to the GEF. UNDP has assessed this request based on the current capacity constraints experienced by the Government.

The services which UNDP will provide have been detailed in a Letter of Agreement with the Executing Entity and, as per UNDP financial regulations and rules, the cost thereof will need to be recovered from the project budget (PMC). This process follows established protocol with the GEF. Please note that any support to execution that would be provided by UNDP is distinct from the oversight implementation function for which UNDP receives fee. This is in fact consistent with the project budget listing MAATE as the budget holder for all budget lines.

Under UNDP policy, the overall accountability for the implementation of a project rests with the Implementing Partner (MOFALI) and there can only be one IP per project. The IP can in turn further subcontract the execution of activities to other entities including the UNDP Country Office. The

execution of these activities is carried out as per UNDP's Rules and Regulations. Regardless of the activities with supported execution, the overall accountability for the project rests with the IP.

R:/ The child project will engage with other ongoing initiatives share knowledge and lessons learned, both at national level and global levels (for further details, please refer to Table 11 'Associated relevant initiatives' of the ProDoc.

At the global level: Textile Exchange, Fashion Pact, Zero Discharge of Harmful Chemicals Foundation, United Nations Alliance for Sustainable Fashion, Sustainable Apparel Coalition, Global Fashion Agenda and Wool Textile Organization.

At the national level: Mongolia's 'Vision 2050', Improving Adaptive Capacity and Risk Management of Rural Communities in Mongolia (ADAPT) Project, The White Gold Program, and Mongolian Sustainable Cashmere Platform.

Additionally, the document could identify potential synergies and opportunities for collaboration with specific ongoing GEF projects in Mongolia or the region, demonstrating a more proactive and strategic approach to coordination.

R:/ Yes, the child project has identified two relevant initiatives, i.e.:

1. *Improving Adaptive Capacity and Risk Management of Rural communities in Mongolia*, a GCF project implemented by UNDP, and
2. *The Aimags and Soums Green Regional Development Investment Program*, a GCF project implemented by the Asia Development Bank. Although UNDP is not currently involved in this project, during the child project's implementation, the Project Management Unit will create synergies based on a preliminary interest in working with ADB on this initiative.

response to Oct. 15 comment: Execution arrangements for all Child projects of the IP have been discussed during the design phase.

The OFP letter for the request of execution support was shared upon project submission (PIMS_9610_GEFID_11171_SupplyChainMongolia_PRODOC_Annex2_GEF_Execution_support_1 etter). The letter includes detailed activities that MOFALI has requested UNDP to support on. The cost of the support has been calculated as per the services requested by MOFALI, using UNDP's

Universal Price List (UPL) for support services. It's important that to note that these support services will be undertaken by UNDP Mongolia on a need basis and the cost cannot exceed the overall figure included on the budget. Support services represents 2.9% of the overall GEF grant or 3.2% without considering the PMC.

5.3 Core indicators

- a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)? [If a child project under a program] Is the choice of core indicators consistent with those prioritized under the parent program?**
- b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable? Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?**

Secretariat comment at CEO Endorsement Request

Explanation provided in the project document

Core indicator 6:

20,000,000 pieces of leather (roughly 20,000 tons) and 2,200 tons of processed cashmere are produced in Mongolia each year. One ton of cashmere produces 28.7 tons of CO₂, and one ton of leather generates 19.8 tons of GHG emissions (from animal raising to final product). Overall GHG emissions are 459,100 tons of CO₂-equivalent per year and the child project target is 10% reduction.

Analysis

The explanation doesn't completely match the direct and indirect avoided GHG emissions for core indicator 6. According to the explanation, 20,000 tons of leather and 2,200 tons of processed cashmere are produced in Mongolia each year. By applying the emission factors described, one obtains 459,100 tons of CO₂e, which is what is being reported as expected indirect GHG emissions by the project. Notwithstanding, (1) the explanation adds that "the child project target is 10% reduction", yet it is unclear how this is applied to this calculation, and (2) it is also unclear how the direct avoided GHG emissions (114,775 tons of CO₂e) were obtained. Please provide additional information so the calculation is clear.

The methodology for calculating the Global Environmental Benefits (GEBs) in the document appears to be generally sound, but there is room for improvement in terms of clarity and transparency. The document mentions that the GEBs will be calculated using four core indicators: Area of landscapes under improved practices (hectares) GHG emissions expected to be reduced (MTCO₂e) Chemicals of global concern and their waste reduced (tons) Persistent organic pollutants to air reduced (gTEQ) The document also states that the calculations performed during the PPG stage will be updated for the Mid-term Review (MTR) and Terminal Evaluation (TE), and that the project will submit GEB data annually to the Global Integrated Programme. However, the document could be more explicit in describing the specific methodologies and assumptions used to calculate each GEB indicator. For example, it could: Provide more details on how the "area of landscapes under improved practices" will be measured and monitored, including the specific practices that will be considered and the data sources that will be used. Explain the methodology for estimating GHG emissions reductions,

including the baseline emissions, the emission factors used, and the assumptions made about the adoption of sustainable practices including the anticipated start year of GHG accounting and duration of accounting directly under indicator 6.2. Clarify how the reduction in chemicals of global concern and their waste will be quantified, including the specific chemicals targeted and the data sources used to track their reduction. Provide more information on the methodology for estimating the reduction in persistent organic pollutants to air, including the sources of these pollutants and the models or assumptions used to calculate their reduction. In addition, the document could benefit from a more detailed discussion of the potential uncertainties and limitations associated with the GEB calculations. This would enhance the transparency and credibility of the project's environmental impact assessment.

Nov 7, 2024 - Please include the anticipated start year of GHG accounting and duration of accounting directly under indicator 6.2.

Nov 11, 2024 - The anticipated year has been added and indicated at 2025 with a 20-year duration.

Agency Response

Provide more details on how the "area of landscapes under improved practices" will be measured and monitored, including the specific practices that will be considered and the data sources that will be used.

R:/ Yes.

In Mongolia, the total extension of both aimags under the scope of this child project totals 6,000,730 hectares, of which, 4,294,000 hectares are pasturelands. Of this, the goat pasture grazing land is 858,000 hectares. With the execution of the proposed activities -10% of improvement- corresponds to 85,800 hectares after 5 years of implementation.

For CI4, land area under restoration will be measured and monitored through indirect means. Specific practices will be firstly implemented through herders cooperatives to be trained on *?...cover improving pasture management and animal health, animal breeding, animal welfare, strengthening cooperatives, preparing low-waste and high-quality raw materials, and using internationally approved chemicals for animal washing and disinfection?*. These practices will be measured by the number of Responsible Nomads Cooperatives (and herders) participating in the planned activities, the field work of tracking (yearly) and the grasslands conservancy or improvement along time of at least 85,800 hectares.

Explain the methodology for estimating GHG emissions reductions, including the baseline emissions, the emission factors used, and the assumptions made about the adoption of sustainable practices including the anticipated start year of GHG accounting and duration of accounting directly under indicator 6.2.

R:/ Yes.

Based on the reference (*Sustainable Fibre Alliance (2019): Sustainable Cashmere: Environmental and Social Impact Assessment*), the emission factor in Mongolia for one ton of cashmere is 74.5 tons of CO₂ and for one ton of leather is 44.3 tons of CO₂. The annual production of cashmere is 2,000 tons and of leather 7,000 tons, that is 149,000 tons and 310,100 tons of CO₂/yr, respectively, for a total of 459.100 tons of CO₂ emitted each year. The calculation of this GEB considers a 10% reduction thanks to the intervention of the child project, that is, 45.910 of CO₂ per year.

The rationale agreed with the Government of Mongolia was that on average, during the 5-year of implementing the planned activities, only half of this volume will be achieved per year, about 23.000 tons of CO₂ per year. Then, the direct benefit -over a 5-year period- is 114.775 tons of CO₂ and indirect benefits -over a 20-year period- is 459.100 tons of CO₂, for a total of 573.875 tons of CO₂ avoided.

Clarify how the reduction in chemicals of global concern and their waste will be quantified, including the specific chemicals targeted and the data sources used to track their reduction.

R:/ Yes.

The methodological approach for the reduction in chemicals of global concern and their waste is detailed description of the pilots to be implemented under Output A.2, Activity A.2.ii (please refer to page 49 of ProDoc).

For CI9, the reduction of main chemicals, i.e.: mainly chromium and azo dyes, but also residual potentially contained chemicals such as SCCP, pesticides, and alkyl phenols, will be monitored through chemical analysis reports of wastewater from the industries before and after the implementation of the pilots and their replication.

Provide more information on the methodology for estimating the reduction in persistent organic pollutants to air, including the sources of these pollutants and the models or assumptions used to calculate their reduction.

R:/ Yes.

For CI10, from the NIP Update 2016, data shows that a production of 10.65 gTEQ per year in textile products, of which, 20% is burnt at end of life, that is 2.13 gTEQ per year, of which the child project will reduce 10%. Assuming an adjusted 5-year period for direct implementation of child project's activities, this equals a total of 1.07 gTEQ.

Additionally, from the NIP update (2016), 117,500 hectares of burnt grasslands produce 1.76 gTEQ each year. Assuming that this child project will improve through

sustainable management of 85,800 hectares during a 5-year period, it will reduce 1.29 gTEQ, for a total integrated global benefit of 2.36 gTEQ.

For this reason, the end project Target for CI10 was adjusted from 2.66 to 2.36, both in the Project Result Framework and in Table 7 Child Project GEBs Indicators, on page 48 of CEOER and on page 67 of ProDoc.

In addition, the document could benefit from a more detailed discussion of the potential uncertainties and limitations associated with the GEB calculations. This would enhance the transparency and credibility of the project's environmental impact assessment.

R:/ Yes.

With regards to CI4, the preliminary figure of improvement of 10% level target of grasslands management through herders training and technical assistance is a hypothesis judged reasonable based on discussions with senior technical officers of the Government of Mongolia (MOFALI) and national university consultants during the execution of the PPG, for instance, using current data as reference from the Responsible Nomads Code of Practice Program.

In case that significant deviations from this estimate emerge during the child project implementation, the Project Management Unit (PMU) will revisit it and will be reported during the PIR stage and adjusted by the Mid-term Review to inform the GEF.

With regards to CI9, the limitation found during the PPG lies in the fact that there is a lack of a more precise inventory of chemical of global concern in Mongolia, as pointed out the ToC analysis, i.e.: *There are no specific inventories or baselines for the chemicals used in the cashmere and leather sectors?*. As a matter of fact, Pilot Project #1.1 *Determination of the national baseline situation of POPs and hazardous chemicals in cashmere and leather sectors in Mongolia?*, under incremental activity A.2.ii, was built to cope with this need.

For CI10, the rationale is similar to the discussions held for the calculation of CI4. Again, in case of meaningful differences are found during implementation of the child project, the PMU will report them during the Mid-term Review.

Nov. 7. Adjusted

5.4 Risks

- a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?
- b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

The project's risk assessment is a good starting point, but it could be enhanced by providing a more in-depth analysis of risks, more specific mitigation measures, and a clearer articulation of residual risks. Additionally, a more comprehensive assessment of environmental and social risks would further strengthen the project's commitment to sustainability and social responsibility.

The risk assessment could be enhanced:

Depth of Analysis: The explanations of risks and their potential impact on project outcomes could be more detailed. A deeper analysis would help in prioritizing risks and tailoring mitigation measures more effectively.

Specificity of Mitigation Measures: While the mitigation measures are generally relevant, some could be more specific and actionable. For example, the mitigation measure for the risk of unsustainable materials being cheaper could include concrete steps to promote sustainable alternatives, such as developing financial incentives or awareness campaigns.

Potential Omissions: The risk assessment may not be exhaustive. Additional risks, such as those related to social and cultural barriers or potential conflicts between stakeholders, could be considered.

b) Risk Rating and Residual Risk

The risk ratings provided (Moderate, Substantial) seem to reflect the potential impact of the risks on project outcomes. However, the document could be more explicit in explaining how the residual risk was assessed after considering the proposed mitigation measures. A clearer articulation of the residual risk would enhance the transparency and credibility of the risk assessment.

c) Environmental and Social Risks

The document acknowledges environmental and social risks, particularly those related to pollution, gender discrimination, and working conditions. It also outlines mitigation measures, such as conducting targeted assessments, developing ESMPs, and implementing a Gender Action Plan. The overall risk rating of "Medium/Moderate" seems appropriate given the nature of the project and the proposed mitigation measures.

However, the assessment of environmental and social risks could be further strengthened by:

Conducting a more comprehensive Environmental and Social Impact Assessment (ESIA) to identify and assess potential impacts on biodiversity, ecosystems, and vulnerable groups.

Developing a more detailed Stakeholder Engagement Plan to ensure meaningful participation of all affected stakeholders in the project's design and implementation.

Establishing a robust Grievance Redress Mechanism to address any concerns or complaints from affected communities.

Please complete the key risk table with explanation of risk and mitigation measures under every context.

Nov 7, 2024 - Please describe how the Overall risk rating was identified.

Nov 11, 2024 - The overall risk rating identification as been added. Comment cleared.

Agency Response

Depth of Analysis: The explanations of risks and their potential impact on project outcomes could be more detailed. A deeper analysis would help in prioritizing risks and tailoring mitigation measures more effectively.

R:/ Yes, a deeper analysis of the risks is essential to design adequate and targeted mitigation measures.

However, at this stage of the project design, there is insufficient detail about the planned activities and their exact location in order to assess the risks more thoroughly. For this reason, additional screening and assessment are planned during the implementation phase. This has been described in Section 3 of the ESMF (Annex 9 of the ProDoc), which foresees additional screening for activities under Activity B.1.i, targeted assessment for pilot projects (activities A.2.ii, B.1.ii, C.1.i, ii, and E.1.i) and targeted assessment related to livelihoods impacts.

Specificity of Mitigation Measures: While the mitigation measures are generally relevant, some could be more specific and actionable. For example, the mitigation measure for the risk of unsustainable materials being cheaper could include concrete steps to promote sustainable alternatives, such as developing financial incentives or awareness campaigns.

R:/ As mentioned earlier, once the activities have been developed further during the early stage of project implementation, screenings and targeted assessments will be undertaken to ensure that mitigation measures, including enhancement measures such as awareness campaigns, would be included in the resulting site-specific Environmental and Social Management Plans (ESMPs).

The result of the assessments are the site-specific ESMPs may include adjustments to the design of the activities, to avoid risks where necessary and appropriate. The site-specific ESMP will also include oversight, monitoring and reporting related to the identified risks and implementation of agreed management measures.

Potential Omissions: The risk assessment may not be exhaustive. Additional risks, such as those related to social and cultural barriers or potential conflicts between stakeholders, could be considered.

R:/ Additional risks will be identified through more thorough examination of the planned activities and their locations as part of the additional screening and assessments that are planned during the implementation phase.

Risk Rating and Residual Risk

The risk ratings provided (Moderate, Substantial) seem to reflect the potential impact of the risks on project outcomes. However, the document could be more explicit in explaining how the residual risk was assessed after considering the proposed mitigation measures. A clearer articulation of the residual risk would enhance the transparency and credibility of the risk assessment.

R:/ The Project SESP (Annex 5 of the ProDoc) in its Question 3 (Comments) presents an initial justification of the risk rating while Question 4 describes additional assessments and potential mitigations needed to reduce this risk.

The targeted assessments that will be undertaken during project implementation as described in the ESMF will provide a more detailed justification of the identified risks as the project activities become more detailed in terms of their scope and location. In addition, more prescriptive and site-specific mitigation measures will be included such that residual impacts will be assessed accordingly.

This is mentioned in Section 9.2 presenting the indicative outline of the ESMP, under (1) Mitigation, which requires that the ESMP to (a) identifies and summarizes all anticipated significant adverse social and environmental impacts; (b) describes ? with technical details ? each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; (c) estimates any potential social and environmental impacts of these measures and any residual impacts following mitigation.

b) Environmental and Social Risks

The document acknowledges environmental and social risks, particularly those related to pollution, gender discrimination, and working conditions. It also outlines mitigation measures, such as conducting targeted assessments, developing ESMPs, and implementing a Gender Action Plan. The overall risk rating of "Medium/Moderate" seems appropriate given the nature of the project and the proposed mitigation measures.

However, the assessment of environmental and social risks could be further strengthened by:

Conducting a more comprehensive Environmental and Social Impact Assessment (ESIA) to identify and assess potential impacts on biodiversity, ecosystems, and vulnerable groups.

R:/ This will be done as part of future screening and assessments planned during project implementation.

Developing a more detailed Stakeholder Engagement Plan to ensure meaningful participation of all affected stakeholders in the project's design and implementation.

R:/ Thanks for this suggestion.

The Stakeholder Engagement Plan is considered as a live document that will be updated throughout project implementation. The findings of the planned targeted assessments will be used to update the Stakeholder Engagement Plan to ensure that all stakeholder identified, especially during field activities pertaining to the assessment, are included in plan.

Upcoming revisions, prepared by the Project Management Unit, will be reported during the PIR stage.

Establishing a robust Grievance Redress Mechanism
to address any concerns or complaints from affected
communities.

R:/ According to Section 6.2 of Annex 9 (ESMF), the project will establish a project-level GRM at the start of implementation. The GRM will be developed in line with UNDP Social and Environmental Standards that require access and dissemination of this mechanism to all stakeholders including local communities.

Please complete the key risk table with explanation
of risk and mitigation measures under every context.

R./ updated

Nov. 7. Included

5.5 For NGI Only: Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request

Agency Response

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

b) [If a child project under an integrated program] Is the project adequately aligned with the program objective in the GEF-8 programming directions?

Secretariat comment at CEO Endorsement Request
The project's focus on eliminating hazardous chemicals, promoting sustainable practices, and fostering transformative change in key industries positions it well within the framework of both the Chemicals and Waste Focal Area and the

broader GEF-8 programming directions. The project's clear articulation of its objectives, outcomes, and activities further reinforces its alignment with these overarching goals.

Agency Response

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement Request Yes, the project's strong alignment with country and regional priorities, policies, strategies, and plans, including those related to the MEAs and relevant sectors, underscores its potential for transformative change and its contribution to Mongolia's sustainable development goals.

Agency Response

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement Request

The document explicitly states that the project will contribute to the Kunming-Montreal Global Biodiversity Framework, particularly Targets 7, 15, and 18. However, the document does not elaborate on how the project will contribute to these targets. To strengthen the proposal, it would be beneficial to provide more specific details on the project's expected contributions to each target.

For example, the document could explain how the project's promotion of sustainable grazing practices and reduction of hazardous chemicals will help to reduce pollution and ensure sustainable management of cashmere and leather production (Target 7). It could also elaborate on how the project's capacity-building efforts and stakeholder engagement will contribute to increased awareness and mainstreaming of biodiversity considerations in relevant sectors (Target 15). Finally, the document could explain how the project's focus on sustainable production and consumption will help to reduce the negative impacts of the cashmere and leather industries on biodiversity (Target 18).

October 15, 2024 - Comments cleared.

Agency Response

This child project will contribute to the Kunming-Montreal Global Biodiversity Framework, particularly Targets 7, 15, and 18, as follows:

Contribution to Target 7: Reduce Pollution

•**Reduction of Hazardous Chemicals:** The project will work with producers, processors, and local stakeholders to phase out harmful chemicals (POPs and heavy metals), particularly those used in the leather tanning process. This will directly reduce soil and water contamination, benefiting ecosystems downstream of production areas. For instance, the wastewater treatment Pilot #2.3: *Enhancing the technology for treating wastewater and sludge in the primary scouring and dyeing workhouse?*, under Activity C.1.i, will contribute to the reduction of chemical pollution to the environment, which will reduce negative impact on BD.

•**Sustainable Grazing Practices:** In the cashmere industry, the project will promote sustainable grazing methods to mitigate overgrazing and land degradation, which contribute to biodiversity loss and pollution. Sustainable grazing will enhance the health of ecosystems by maintaining vegetation cover and preventing soil erosion, thus reducing pollutants in water systems.

•**Waste Management and Circular Economy:** By promoting circular business models, the project will minimize the generation of waste, including plastics and toxic by-products, in both the leather and cashmere industries. This will further reduce pollution and ensure that supply chain processes are aligned with biodiversity protection goals.

Contribution to Target 15: Mainstreaming Biodiversity Across Sectors

•**Capacity Building:** The project will enhance capacity of local producers, government officials, and industry stakeholders through training and awareness raising activities to integrate biodiversity-friendly practices throughout the supply chain. Training will cover sustainable production techniques, including reduced chemical use, habitat preservation, and practices that minimize impacts on biodiversity.

•**Stakeholder Engagement:** The project will establish a multi-stakeholder network that brings together private sector actors, regulatory bodies, and local communities. These platforms will facilitate the mainstreaming of biodiversity goals into sectoral policies, ensuring that industry practices support biodiversity conservation.

•**Policy Advocacy:** By working with national and local governments, the project will advocate for policies that incentivize sustainable and biodiversity-friendly practices in both industries. This will include the development of guidelines for sustainable production, as well as sector-specific regulations that integrate biodiversity considerations into corporate decision-making processes.

Contribution to Target 18: Sustainable Production and Consumption

•**Sustainable Production Practices:** The project will promote best practices in sustainable grazing (for cashmere) and eco-friendly processing methods (for leather). The companies would need to invest in biodiversity protection of the participating territories, pastureland restoration, and wildlife habitat in order to start the greening process in the cashmere and leather supply chains.

These practices will reduce the overexploitation of natural resources and the ecological footprint of both industries. For example, sustainable grazing management will prevent land degradation, while reduced chemical usage in leather production will minimize water pollution.

•**Circular Economy and Green Chemistry:** The project will introduce circular economy principles and green chemistry solutions into the supply chains, particularly by encouraging the reuse of materials and reducing reliance on harmful chemicals. These innovations will reduce the environmental impact of both industries, conserving biodiversity in areas affected by production activities.

•**Sustainable Consumption Patterns:** Through public awareness campaigns and engagement with brands and consumers, the project will promote sustainable purchasing choices. This will create market demand for environmentally responsible cashmere and leather products, incentivizing the industry to adopt and scale up sustainable practices.

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

8 Annexes

Annex A: Financing Tables

8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement Request

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Request

Agency Response

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement Request

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

Agency Response

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

8.3 Source of Funds

Does the sources of funds table match with the amounts in the OFP's LOE?

Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement RequestYes

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

Please provide detailed information on the nature and allocation of the in-kind contributions (e.g., staff wages, facilities, travel, transportation), including USD 10.00 million from Ministry for Food, Agriculture and Light Industry of Mongolia, you may include this information in the cofinancing description field in Annex A or within the applicable sections of the form. However, please ensure that these details are also included in cofinancing letters for future projects.

October 15, 2024 - Comment not addressed.

Nov 5, 2024 - Comment cleared

Agency Response

Response to Oct. 15 comment: Details as calculated by the PPG team and MOFALI have been annexed to the letter

Annex B: Endorsements

8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:

Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request

Agency Response

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)

c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?

e)[If a regional/global coordination child project under an integrated program] Does the results framework reflect the program-wide result framework, inclusive of results from child projects and specific to the regional/global coordination child project? [If a country child project under an integrated program] Is the child project result framework inclusive of program-wide metrics monitored across child project by the Regional/Global Child project?

Secretariat comment at CEO Endorsement Request

a) Inclusion of GEF Core Indicators

Yes, the project has incorporated the necessary GEF core indicators. The project explicitly mentions the inclusion of four core indicators:

Area of landscapes under improved practices (hectares)

GHG emissions mitigated (MTCO₂e)

Chemicals of global concern and their waste reduced (tons)

Persistent organic pollutants to air reduced (gTEQ)

b) SMART Indicators and Means of Verification

Mostly yes, the indicators generally adhere to the SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-bound). They are specific in terms of what they intend to measure (e.g., hectares of land restored, tons of chemicals reduced). They are measurable, with clear units of measurement. The relevance of the indicators to the project's objectives is also evident. The time-bound aspect is addressed through the inclusion of baseline, mid-term, and end-of-project targets.

The means of verification are reasonably well thought out, with references to official records, field monitoring, satellite photographs, and project reports. However, some could be further strengthened by specifying the exact data collection methods and sources. For example, for the indicator on GHG emissions mitigated, the document could specify the methodology and tools used to estimate emissions reductions.

The appropriateness of targets in relation to project financing is somewhat unclear. The document does not provide a detailed justification for the chosen targets, making it difficult to assess

whether they are too ambitious or too conservative given the available resources. A more explicit discussion of the target-setting process and the underlying assumptions would be beneficial.

c) Sex-Disaggregated Indicators

Yes, the project demonstrates a commitment to gender equality by including sex-disaggregated indicators. The indicator on the "number of direct project beneficiaries" is disaggregated by gender, allowing for tracking the project's impact on both men and women. The indicator on the "number of jobs created" also includes a target for women's employment.

d) Inclusion of Project Results Framework

Yes, the Project Results Framework is included in the Project Document and pasted within the template. The framework is presented in a tabular format, outlining the project objective, outcomes, outputs, indicators, baseline values, and targets.

e) Reflection of Program-Wide Results Framework

Yes, as a country child project, the results framework includes program-wide metrics that are monitored across all child projects by the Regional/Global Child project. This is evident in the inclusion of indicators related to policy alignments, innovations, new materials, financial resources, pilot projects, private sector engagement, job creation, stakeholder participation, and knowledge creation and dissemination. These indicators are consistent with the program's overarching goals and allow for tracking the collective progress of all child projects towards achieving transformative change.

October 15, 2024 - Please note that unless the minutes referred to in the response is incorporated into the portal prodoc we cannot accept this response.

Nov 5, 2024 - comments cleared.

Agency Response

The means of verification are reasonably well thought out, with references to official records, field monitoring, satellite photographs, and project reports. However, some could be further strengthened by specifying the exact data collection methods and sources. For example, for the indicator on GHG emissions mitigated, the document could specify the methodology and tools used to estimate emissions reductions.

R:/ Please, refer above to responses on Section 5.2 Core Indicators.

The appropriateness of targets in relation to project financing is somewhat unclear. The document does not provide a detailed justification for the chosen targets, making it difficult to assess whether they are too ambitious or too conservative given the

available resources. A more explicit discussion of the target-setting process and the underlying assumptions would be beneficial.

R:/ Please note that GEB targets were discussed during UNEP led coordination meetings. For additional details, please refer to the meeting minutes

Oct 15. Response:

CI #4: The target is made up by six soums of two aimags mostly covered by pasturelands, with an area of 4,294,000 ha, 20% used for goats? pasture grazing, equivalent to 858,800 ha. The estimated improvement of grazing practices and controlling total number of animals is 10% of total areas (85,800 ha).

The proposed pasturelands to be restored and improved by the child project belong to six goat herding cooperatives located in the soums of the Gobi-Altai and Khuvsgul provinces. Of these, three are located under the Chandmani, Tsogt, and Erdene soums' administration in the Province of Gobi-Altai. The other three are located under the Alag-Erdene, Burentogtokh, and Tunnel soums' administration. The participation of this group of grassroots organizations in this child project was validated by the National Government during the PPG.

CI #6: 20,000,000 pieces of leather (roughly 20,000 tons) and 2,200 tons of processed cashmere are produced in Mongolia each year. One ton of cashmere produces 28.7 tons of CO₂, and one ton of leather generates 19.8 tons of GHG emissions (from animal raising to final product). Overall GHG emissions are 459,100 tons of CO₂-equivalent per year and the child project target is 5% reduction.

Response:

This target of 5% (22,955 tons of CO₂-e per year) will be achieved thanks to the effects on the **Full value chain operations** of Activities 1.4 (improvement of pasture management, with 100,000 US\$), 1.6 (...improvement of the supply chain, with 300,000 US\$) and secondarily, through Activities 2.2, 2.3 and 3.3, which also have an impact energy efficiency and therefore on CO₂ emissions This will impact all the value chain of both textiles.

For direct benefits: 22,955 tons CO₂-e x 5 years = 114,775 tons CO₂-e

For indirect benefits = 22,955 tons CO₂-e x 20 years = 459, 100 tons CO₂-e

CI #9: 19,439 tons of raw leather and 7,413 tons of raw cashmere are processed each year, that represents a total chemical usage of 5,897 tons for leather and 397 tons for cashmere, respectively, for a total of 6,294 tons.

Response:

The child project aims at 10% reduction of the chemicals used in raw leather and cashmere processing (629 tons) by the implementation of the seven steps considered under pilot project #1. *?Improved sustainability of cashmere and leather supply chains?.*

This figure was assumed as an annual average of "progressively increasing" the implementation of this pilot project after year one but calculating that it will be reported to be at least 5% by the Mid-term Review (310 tons).

CI #10: From Mongolia's National Implementation Plan (NIP) under the Stockholm Convention, the PCDD/F emission from the textile industry is 1.6 gTEQ/yr and from the leather industry is 9 gTEQ/yr, the total of both sectors is 10.65 gTEQ/yr.

Response:

The target of the child project is to achieve a reduction of 5% of these emissions by the end of project (2.66 gTEQ over a five-year term), by implementing the following two pilot projects:

Pilot project #2: *?Supply chain improvement in cashmere integrated facilities through cleaner production and eco-design?.*

Pilot project #3: *?Leather processing improvement through cleaner production techniques in tanneries?.*

Again, this figure was assumed as an annual average of "progressively increasing" the implementation of the proposed activities of these two pilot projects after year one but calculating that it will be reported to be at least 2.5% by the Mid-term Review (1.33 gTEQ).

CI #11: 9,583 people live around 24 tanneries, which are located in Khan-Uul district 20 Khoroo, Ulaanbaatar (54% women), 10,000 people employed in cashmere industry (85% women), 4,225 people employed in the tanning industry (65% women), 7,689 herders live in project area (42% women). Improvement impact on 10% of all these people is targeted. Target: 3,149 people benefitted (1,970 women, 1,179 men).

Response: The appropriateness of this target is self-explanatory in the above paragraph, and it is based on official data gathered during the PPG.

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

Annex F: Environmental and Social Safeguards Documentation and Rating

8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?

Secretariat comment at CEO Endorsement Request Yes

Agency Response

Annex G: GEF Budget template

8.9 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

Budget table:

a. Direct project services costs should not be charged to the project budget, please explore co-financing or agency fee to cover for this costs and remove it from the budget table.

b. Project Coordinator should be charged 100% to PMC but not to project component. Please revise the budget.

October 15, 2024 - Please see comments on execution arrangements.

Nov 5, 2024 - Comments cleared and approved by Manager of Programs, however please address the following:

In the word version of the budget table, the Project Coordinator still is charged to the project components, while nothing is charged to PMC. According to the Review Sheet, TORs will be found in the ProDoc ? however, once one goes to the ProDoc , the TORs supposedly would be in page 183 onwards, but they are empty. Therefore, we cannot assess the reasonability of charging the Project Coordinator to the components. Also note that in there is a Project Administrator fully charged to PMC ? are the functions of these two positions (Project Coordinator and Project Administrator) similar? Please to provide the TORs of both positions when resubmitting the project ? we will assess and provide comments as appropriate.

- The way the budget table is presented in the CEO Endorsement request Portal view (which is the document that goes for circulation to Council ? see attached) makes it unreadable: every

single page of the 169 pages has large headings, then a small field for the explanation of the budget lines ? please amend.

Nov 14, 2024 - The budget in the CEO Endorsement Request Portal view (which is the document circulated to Council) is presented in an unreadable manner. The main problem is that the heading of the budget table is repeated in every single page, so there is little to no space for presenting the activities. Please remove the heading in each page, so there will be more space for the description of the activities.

Please charge the project coordinator fully to PMC (no TORs were found in ProDoc). Please provide the TORs of both the project administrator and the project coordinator and explain the role of each position when resubmitting the project.

Though there is a Managerial approval for UNDP to carry out some executing functions, please remove the Direct Project Services from the budget table and internalize these costs through the Agency Fee.

Nov 20, 2024 - Comments cleared

Agency Response

a. UNDP has been requested to provide certain operational execution support services to supplement a number of capacity gaps on the part of the Government and has submitted this for approval to the GEF. UNDP has assessed this request based on the current capacity constraints experienced by the Government.

Please note that any support to execution that would be provided by UNDP is distinct from the oversight implementation function for which UNDP receives fee. This is in fact consistent with the project budget listing MAATE as the budget holder for all budget lines.

Under UNDP policy, the overall accountability for the implementation of a project rests with the Implementing Partner (MAATE) and there can only be one IP per project. The IP can in turn further ?subcontract? the execution of activities to other entities including the UNDP Country Office. The execution of these activities is carried out as per UNDP?s Rules and Regulations. Regardless of the activities with supported execution, the overall accountability for the project rests with the IP.

b. TORs of project staff are available on PRODOC annex 7, including details of the project coordinator's technical tasks associated to the project's components.

response to Oct. 15 comment: Execution arrangements for all Child projects of the IP have been discussed during the design phase.

The OFP letter for the request of execution support was shared upon project submission (PIMS_9610_GEFID_11171_SupplyChainMongolia_PRODOC_Annex2_GEF_Execution_support_letter). The letter includes detailed activities that MOFALI has requested UNDP to support on. The cost of the support has been calculated as per the services requested by MOFALI, using UNDP's Universal Price List (UPL) for support services. It's important that to note that these support services will be undertaken by UNDP Mongolia on a need basis and the cost cannot exceed the overall figure included on the budget. Support services represents 2.9% of the overall GEF grant or 3.2% without considering the PMC.

Nov 5, 2024

Kind request to refer to PRODOC annex 7 for the detailed tasks of the PMU. We confirm that the project administrator's tasks are different from the project coordinator's tasks. The annex has been uploaded separately for easier reference.

We have re-uploaded the GEF budget with different formatting. We confirm that we are able to see the budget with adequate formatting.

Nov. 18, 2024

We confirm we have removed the heading. We have re-uploaded the document.

TORs are found on the prodoc's annex 7. Details on the position are included on the TORs.

Operational support services have been removed from the Budget.

Annex H: NGI Relevant Annexes

8.10 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

Agency Response

Please ensure that the M&E is fully aligned with the program level indicators and that the project is aligned to the programmatic objectives including the transformation levers.

PRF includes the programme level indicators and follows the structure of the Programme

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

Oct 15, 2025 - Please see comments to be addressed.

Nov 14, 2024 - Please address comments on the budget.

Nov 20, 2024 - All comments cleared. Project is recommended for CEO endorsement.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

Please ensure that the M&E is fully aligned with the program level indicators and that the project is aligned to the programmatic objectives including the transformation levers.

We approve the project execution exception and request UNDP to report on this during the inception of the projects and annually in the PIRs.

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	9/6/2024	
Additional Review (as necessary)	10/15/2024	
Additional Review (as necessary)	11/5/2024	
Additional Review (as necessary)	11/7/2024	
Additional Review (as necessary)	11/11/2024	