



Towards a more circular Uruguay (Uruguay + Circular)

Review PIF and Make a recommendation

Basic project information

GEF ID

11434

Countries

Uruguay

Project Name

Towards a more circular Uruguay (Uruguay + Circular)

Agencies

UNDP

Date received by PM

10/18/2023

Review completed by PM

11/27/2023

Program Manager

Evelyn Swain

Focal Area

Chemicals and Waste

Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

The project meets criteria for CW funding.

The project is claiming the reduction of GHG emissions through the optimization of collection systems, minimizing food losses and waste, increasing circularity in key strategic sectors: food, construction, vehicles and plastics, reduction of waste going to landfills. Overall, I agree that the project is expected to contribute to the reduction of GHG emissions, and therefore GEBs under Core Indicator #6 can definitely be claimed by the project (albeit some clarifications with regards to how the GHG have been estimated -see below). However, I am afraid the project cannot be tagged as CCM since the majority of the areas supported by this project are not eligible under the CCM FA, i.e. food, plastics but also waste management in general. The project claims alignment with CCM objective 1.1 Accelerate the efficient use of energy and materials. This CCM entry point indeed supports circular economy strategies such as recover, reduce, reuse, redesign, regenerate and remanufacturing, but with a clear focus on the built environment, i.e. mainly buildings and industrial parks.

Since the scope of the proposed project goes beyond the circularity approaches supported by CCM 1.1 on the built environment, I suggest to not tag the project as CCM but still claim the GHG reductions.

ES, 11/27/23: The project uses eligible CW funding and has benefits for CCM. Comment cleared.

Agency's Comments

Noted with thanks. As suggested, the project has been reviewed and fully tagged as CW.

2. Project Summary

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 results?

Secretariat's Comments

For the project to claim GHG reductions under CI6, the Agency shall provide/clarify the following:

? The GHG spreadsheet with the calculations, including formulas, assumptions made on the emission factors, % of total waste reduced/recycled/repurposed, etc.

? Amount of years used for the calculations;

? Whether the emission reductions claimed are direct, indirect or both (if the later, please differentiate between direct and indirect);

ES, 11/27/23: Updates provided. Comment cleared.

Agency's Comments

For the GHG reductions under CI6 during PIF development the timeframe considered is 5 years of project implementation and emission reductions claimed are direct. During the PPG phase a spreadsheet with the calculations will be developed and submitted.

For the PIF estimation the following was considered:

GHG avoidance will be achieved through different interventions resulting from the optimization of collection systems, minimizing food losses and waste, increasing circularity in key strategic sectors: food, construction, vehicles and plastics, reduction of waste going to landfills. It is estimated that through project interventions a gradual improvement of a 30% from the 2nd year of project implementation onwards will be achieved. For the estimation the baseline information of 1,210 Gg de CO₂-eq GWP 100AR5 emissions linked to the disposal of solid waste corresponding to the National Greenhouse Gas Emissions Inventory - INGEI 1990-2019 prepared in accordance with the IPCC Guidelines (detailed in Section A) was considered.

During the 5 years of project implementation GHG mitigated will be 1,089,000 MT (metric tonnes) CO₂e accrued value.

Considering a time frame of 15 years, as a result of project direct investments and useful life of the adopted technologies, GHG mitigated can be expected at 5,445,000 MT (metric tonnes) CO₂e accrued value.

3 Indicative Project Overview

- 3.1 a) Is the project objective presented as a concise statement and clear?**
b) 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?

Secretariat's Comments

ES, 10/23/23: This is a circular economy project. There are some upstream activities but most activities are focused on collection, recycling, and waste management which are downstream activities. Please be sure to have an adequate focus on the upstream activities to make this a true circular economy project.

This project compliments SWAP, but should also consider the ISLANDS program and Electric Mobility Program which both address end of life vehicles, it should also consider the Plastics IP and the Chemicals in Supply Chains IP which addresses construction.

The project has included GCIP child project #10453 Promoting the transition to a circular economy in Uruguay through cleantech innovations in the list of on-going projects. Similar to the SWAP Initiative, I would suggest the Agency to elaborate further on the potential synergies with the proposed project and how the proposed project would build upon the existing GCIP child project.

ES, 11/27/23: Adjustments made and more information will be provided on upstream activities during PPG. Comment cleared.

Agency's Comments

The activities under Component 2 were reviewed to ensure the adoption of upstream focus on the different strategic sectors to be addressed by the Project (In particular, Output 2.1 and 2.6). In addition, the introduction of circularity principles will be linked to the activities of research and innovation within Component 3.

Finally, further development and detail will be provided during PPG phase while activities are designed more in depth.

Regarding your second paragraph on SWAP and other programmes:

Noted with thanks. Indeed, the project will be connected with the mentioned programmes.

For that purpose, the following paragraph has been included into the PIF:

The Uruguay + Circular Project will be also linked to the Plastics IP, the Chemicals in Supply Chains IP which addresses construction, the ISLANDS program and the Electric Mobility Program. Close coordination and exchange of information and sharing of best practices will be ensured with the mentioned initiatives mainly available at regional level

for ensuring an effective design and implementation of the activities within the Uruguay + Circular Project.

Regarding the GCIP project:

Synergies with the GCIP have been further developed. The following has been detailed in the PIF:

This project will also have synergies with the GCIP child project #10453 "Promoting the transition to a circular economy in Uruguay through cleantech innovations", which is starting its implementation. This project has two main areas of intervention, one aimed at Power-to-X and the other aimed at promoting the circular economy in agro-industrial value chains, mainly in the dairy sector. The latter will have the greatest synergy with the ?Towards a more circular Uruguay (Uruguay + Circular)? Project, promoting capacity building for a circular economy approach throughout the food industry value chain. In addition, the project GCIP seeks to generate technical capacities at the national level to promote the circular economy approach, which will generate benefits in the implementation of this Full-Size Project (FSP).

While the GCIP project will strengthen the circular economy approach in the industrial sectors of the food production chain, mainly dairy, this FSP seeks to develop socio-inclusive circular models in other strategic sectors such as plastics, vehicles, and construction. In relation to the food sector, this project will address the food sector from the perspective of food loss and waste prevention throughout the production, distribution, sales, and consumption value chain, while the GCIP addresses industrial aspects aimed mainly at the processing of secondary materials in the food industry, including the circularity of nutrients.

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments Yes.

Agency's Comments

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments The overall co-financing ratio is 1:10 and the PCM co-financing is similar.

Agency's Comments

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments Yes.

Agency's Comments

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

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?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments Yes, there is strong justification and the project includes relevant stakeholders.

Agency's Comments

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments Yes they have included a concise theory of change.

Agency's Comments

5.2 INCREMENTAL/ADDITIONAL COST REASONING

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

Secretariat's Comments Yes.

Agency's Comments

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) Is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

This project will be executed by the governments. Coordination with other GEF initiatives listed above should be strengthened.

ES, 11/27/23: Comment cleared.

Agency's Comments

Noted with thanks. Coordination with above listed GEF initiatives was introduced into the PIF narrative and will be further detailed during PPG phase when designing project activities.

5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?

b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments The CW GEBs and core indicators are well developed and adequate.

Agency's Comments

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

Secretariat's Comments NA

Agency's Comments

5.6 RISKS

a) Are climate risks and other main risks relevant to the project described and addressed within the project concept design?

b) Are the key risks that might affect the project preparation and implementation phases identified and adequately rated?

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

Secretariat's Comments Yes, risks have been assessed.

Agency's Comments

5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Comments Yes, the project is innovative and has potential for scale up. The project also will also contribute to policy coherence around circular economy.

Agency's Comments

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

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments Yes.

Agency's Comments

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's Comments Yes. This is consistent with the Stockholm Convention NIP.

Agency's Comments

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's Comments NA

Agency's Comments

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments Yes

Agency's Comments

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments Yes

Agency's Comments

8 Annexes

Annex A: Financing Tables

8.1 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's Comments Yes

Agency's Comments

Focal Area allocation?

Secretariat's Comments Yes

Agency's Comments

LDCF under the principle of equitable access?

Secretariat's Comments NA

Agency's Comments

SCCF A (SIDS)?

Secretariat's Comments NA

Agency's Comments

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

Secretariat's Comments NA

Agency's Comments

Focal Area Set Aside?

Secretariat's Comments NA

Agency's Comments

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments Yes.

Agency's Comments

8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat's Comments Yes.

Agency's Comments

Annex B: Endorsements

8.4 Has the project been endorsed by the country?(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments Yes.

Agency's Comments

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

Secretariat's Comments PPO comments:

1. Letter of Endorsement: the template utilized for this project removed the footnote that conditions the selection of the executing partner to the following: ?Subject to the capacity assessment carried out by the GEF Implementing Agency, as appropriate?. Per the attached email back in March when we were aiming to constitute June 2023 Work Program, Agencies were informed that LoEs ?with modifications cannot be accepted and will be returned?. While the removal of the footnote seems to be trivial, it is not: this footnote reduces the chances of having an executing partner that does not meet the fiduciary and procurement standards required to safely execute the project. Also, there is a mismatch between the Focal Areas in the LoE and those in the Table ?Source of Funds? in Portal: the LoE does not specify from which STAR focal area is the money coming from, while in the source of funds table the STAR focal areas are Climate Change and Biodiversity. A new LoE with the details of focal areas and the amounts (+ the footnote mentioned above) is required. Whenever the new LoE is received, we will review again the financial tables.

2. UNDP Checklist needs to be included in the documents? section ? please ask the Agency to do so.

3. In section 'Coordination and Cooperation with Ongoing Initiatives and Project', the Agency mentions that they expect to play an execution role in this project. Please search for the language that was provided by GPU Manager (Claude) in previous work programs indicating that the clearance of this PIF cannot be taken as an approval for the implementing agency to execute the project because further analysis on the country's reasoning for this request is warranted.

4. Stakeholder engagement: I agree with the PM - and also request the Agency to provide more details on the CSOs, IPs and private sector consulted and the dates of the consultation as indicated in the PIF. Also provide a summary of how and when they will be involved in the project. It is noted that a stakeholder engagement plan will be developed but no details provided in Section B.

Agency's Comments 1. New LoE prepared, changes include: i) Foot note added ; ii) Focal areas: Based on discussion with the Secretariat, all funds will be requested from the Chemicals and Waste focal area, LoE adjusted in this regard. Changes in the portal were done to reflect the adjustment to the Focal Areas funding.

2. Checklist uploaded to the documents' section.

3. Noted.

4. Further detail on consultations held during PIF development was provided. Additionally, further consultations during the PPG phase and the development of a stakeholder engagement plan for the project lifetime are foreseen and was introduced in the PIF narrative.

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

Secretariat's Comments Yes.

Agency's Comments

8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's Comments NA

Agency's Comments

Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Comments Yes.

Agency's Comments

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments Yes.

Agency's Comments

Annex E: Rio Markers

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

Secretariat's Comments Yes.

Agency's Comments

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments Yes.

Agency's Comments

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments NA

Agency's Comments

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments

ES, Not at this time. Some issues remain.

ES, 11/27/23: PIF and PPG are recommended for technical clearance.

The clearance of this PIF cannot be taken as the approval of the GEF agency to execute the project because further analysis on the country's reasoning for this request is warranted and will be assessed during project endorsement.

Agency's Comments

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

Agency's Comments

Review Dates

PIF Review

Agency Response

First Review	10/27/2023
Additional Review (as necessary)	11/27/2023
Additional Review (as necessary)	
Additional Review (as necessary)	
Additional Review (as necessary)	