Supporting the shift to a low-emission, circular construction in Chile

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11071

Countries

Chile

Project Name

Supporting the shift to a low-emission, circular construction in Chile

Agencies

UNEP

Date received by PM

8/27/2024

Review completed by PM

9/9/2024
Program Manager

Esteban Bermudez Forn
Focal Area

Climate Change
Project Type

FSP

PIF
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

9/17/2024 EBF: Cleared.

Agency Response

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

Secretariat comment at CEO Endorsement Request

10/17/2024 EBF:

1. Cleared

9/17/2024 EBF:

1. Please briefly explain (in the project description section) how the project will contribute to BD and LD in the project description.

Agency Response

10/02/2024:

1. Added a paragraph on the project?s potential impact on BD, LD and chemicals of concern.

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?

Secretariat comment at CEO Endorsement Request

9/17/2024 EBF: Cleared.

Agency Response

3. Project Description Overview
a) Is the project objective statement concise, clear and measurable?
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?
c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
e) 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 Request9/17/2024 EBF: Cleared.

Agency Response

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

10/17/2024 EBF:

1. Cleared

9/17/2024 EBF:

1. Regarding ongoing initiatives, we encourage you to consider the following projects from the GCF and determine if the GEF project should also engage with them:
    1. FP152 Global Subnational Climate Fund (SnCF Global) ? Equity
    2. FP149 Green Climate Financing Facility for Local Financial Institutions in Latin America
2. Regarding ongoing initiatives, we encourage you to consider the following projects from the Inter-American Development BAnk and determine if the GEF project should also engage with them:
    1. CH-T1300 Apoyo a la Preparaci?n del Programa de Fortalecimiento del Plan de Emergencia Habitacional y Contenci?n del D?ficit Urbano
    2. CH-T1312 Apoyo a la Agilizaci?n de la Inversi?n para el Desarrollo Sostenible en Chile
    3. CH-G1011 and CH-T1309 Aceleradora de Tecnolog?as Eficientes en Chile

Agency Response

10/02/2024:

1. and 2.: These initiatives have been added to both the baseline (A2) and the coordination (B4) sections of the project document.

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) 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?

c) 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?

d) 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?

e) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?

f) 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?

g) 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)?

h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?

i) 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?

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

k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?

l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

10/17/2024 EBF:

1. Noted. Cleared.
2. Cleared

3. The typo remains, but it is negligible. Cleared
4. Noted. Cleared
5. On gender:
    1. Gender considerations have been included in the aforementioned outputs. Cleared.
    2. Output 3.3 will give priority to women-led SMEs. Cleared
    3. Noted. Cleared.

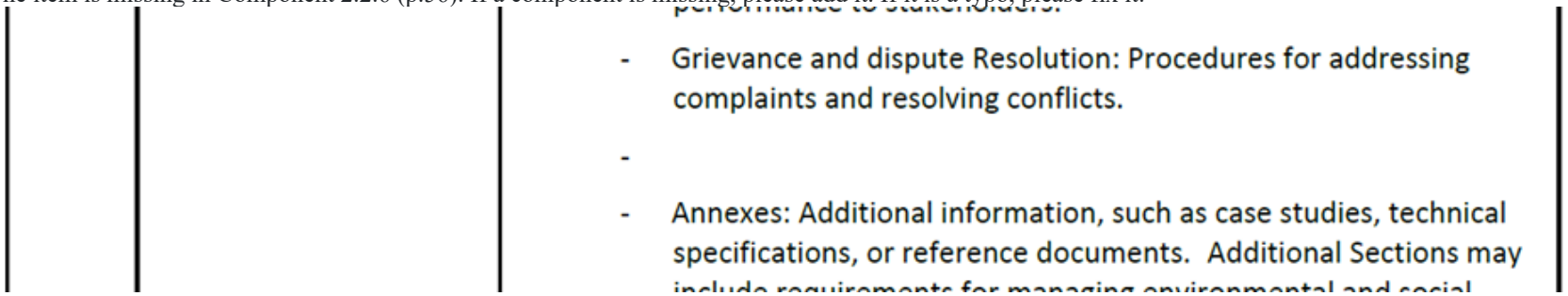
9/17/2024 EBF/TY:

1. In Component 1.1.5 (p.39), should the resource standards differ for new materials and recycled products? Do you include the Innovative Material standard? Or is there an intention to have the same standards for recycled products as for new products? Please clarify this point.

> - Key considerations regarding the extraction and mining of raw materials (e.g. aggregates, metal, wood, others). This section can include definitions and requirements in terms of recycled content, procedures for authorization, registry, delimitation of competencies according to the type and site of the extraction, control and inspection processes, penalties for non-compliance, prohibitions, gradualness of implementation, among others.[5]

2. Please elaborate on the network of municipalities for circularity (M4C), especially deliverable 1.3.3.

3. One item is missing in Component 2.2.6 (p.56). If a component is missing, please add it. If it is a typo, please fix it.



4. Regarding Component 3.3 (p.72-), there are terms like ?innovative business model? and ?innovative products?. Please explain clearly what makes the business model or products innovative, along with the definitions of these words.

5. On gender:
    1. Please reflect gender considerations in the following outputs: 1.1, 1.2, 3.1, and 3.2 to ensure that the construction frameworks, investments, and procurement mechanisms are gender-responsive.
    2. In Output 3.2, we encourage you to target women-led SMEs in innovative business models and networks.
    3. During project implementation, the Agency is requested to include in the PIRs, MTR and TE, a review and reporting of the GAP and relevant gender dimensions of the project.

Agency Response

10/02/2024:

1. Kindly note that the phrase ?definitions and requirements in terms of recycled content? was misplaced in the original text, as this applies to construction products rather than raw material, so it should have been included in the following bullet point. This mistake is now corrected in the revised text.
The item mentioned in the coment refers to basic definitions and requirements for the extraction and mining of raw materials. The legislation is also expected to include a section on construction products, including basic requirements and definitions; however, as this law will apply to the entire construction value chain across the entire country, the definitions and requirements are expected to be very broad. Product-specific norms

and standards will be the key element under component 2. Note that, in general, recycled products are likely to require their own norms, i.e. norms and standards are not likely to be the same for recycled as for new products. This however may depend on the specific material under question, and some norms may include requirements for both new and recycled products under the same text (depending on the case).

2. The text under output 1.3 and deliverable 1.3.3 have been revised to provide more details.

3. Typo fixed.

4. Definition provided in the outline of output 3.3.

5. On gender:

1. The gender dimension has been strengthened in all of the required outputs.
2. Done (we understand this refers to output 3.3, which is the one that works with SMEs in business models and networks).
3. The GAP report will be included as a an annex to all project reporting.

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.).

Secretariat comment at CEO Endorsement Request

10/17/2024 EBF:

1. Cleared

9/17/2024 EBF:

1. Regarding coordination with other initiatives (Table 4), please ensure our comments in the project rationale section are also reflected in Table 4.

Agency Response

10/02/2024:

1. Table 4 has been updated to reflect the additional projects.

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)?

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

10/17/2024 EBF:

1. Thank you for sharing the calculations. No further comments. Cleared
2. Noted. Cleared
3. Noted. Cleared
4. Noted. Cleared

9/17/2024 EBF/TY:

1. We couldn't find the spreadsheet with the calculations. Please attach the spreadsheet to the documents section (preferably as an Excel file) for our review.

Based on the above, an estimate was made of the project's contribution to reduction of national emissions in the construction sector through the three pillars of embodied carbon emissions: project design (overspecification and building repurposing), making manufacturing processes more efficient, and recycling and switching materials. An estimate was made for the project's lifetime impact (2029 – 2048), with an average causality factor of 0.22% applied. Detailed calculations are available in a separate spreadsheet.

2. Please include in your explanation why the expected metric tons of CO?e (direct) dropped significantly since the PIF stage (from 700t to 0t).

3. Considering that the project is ?[?] expected to lead to a reduction in chemicals of concern contained in products such as insulation materials, flame retardants, wood preservatives, adhesives, paints, lacquers, sealants, varnishes, and other coatings? and there is an end of project target of 2.365.413,52 of metric ton of toxic chemicals reduced under core indicator 9 in Annex C (Project Results Framework). Please fill in the Core Indicators table accordingly, including the explanation of the calculation. If possible, include the calculations in the spreadsheet mentioned in our previous comment.

4. Similarly, considering that ?interventions from this project are expected to lead to restoration and improved management of approximately 1,500 ha of land? and the Land Degradation Rio Marker was selected as a "Significant Objective (1)", we encourage you to consider if the project also has additional GEBs to be reported on and estimate their potential. If so, please fill out the Core Indicators table accordingly.

Agency Response

10/02/2024:

1. The spreadsheet with the calculations has been uploaded into the portal.

2. Text was added to discuss the decision to report only indirect emission reductions under "GHG emission reductions" sub-section of B5.

3. While significant benefits will result from the long-term impact of the project interventions, only direct effects are allowed to be accounted for in GEF core indicators, except for Greenhouse Gas emissions mitigated (GEF/C.62/Inf.12/Rev.01), page 6). Therefore, indirect impacts (i.e. occurring after the project?s execution phase) on other relevant environmental indicators have not been included among the project?s core indicators, which is now clarified in the revised project document. Core indicator 9 was removed to align with the above mentioned GEF guidelines.
Note however that these potential benefits have nonetheless been estimated and reported in the core indicators section of the project document for illustrative purposes. The spreadsheet with the calculations has been uploaded to the documents section of the portal (same file including GHG calculations).

4. By creating penalties and providing tools against illegal material extraction and illegal disposition of CDW (the specific objective towards which the remote-sensing tool in output 4.5 will be contributing to, besides from regulatory reforms in component 1), the project is expected to have a positive impact on land and associated biodiversity. In Chile, it is estimated that over 1,000 ha are affected by illegal extraction of aggregates, and 3.735 illegal waste disposal sites are operational, from which a minimum of 535 ha have already been identified as affected. Therefore, interventions from this project are expected to contribute towards the restoration and improved management of an environmental problem of an estimated scale of at least 1,000 + 535 = 1,535 ha of land.
Kindly note, however, that the 1,535 ha estimate is a (conservative) measure of the problem that the project will be contributing to solve. This is not to say that the project will restore 1535 ha, but rather identify the locations where this is taking place (as well as to provide an spatially explicit indicator of the actual magnitude of the problem, noting that these values have been estimated instead of measured). We have revised the text accordingly to better reflect this and adjust expectations.

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

10/17/2024 EBF:

1. Cleared
2. Cleared

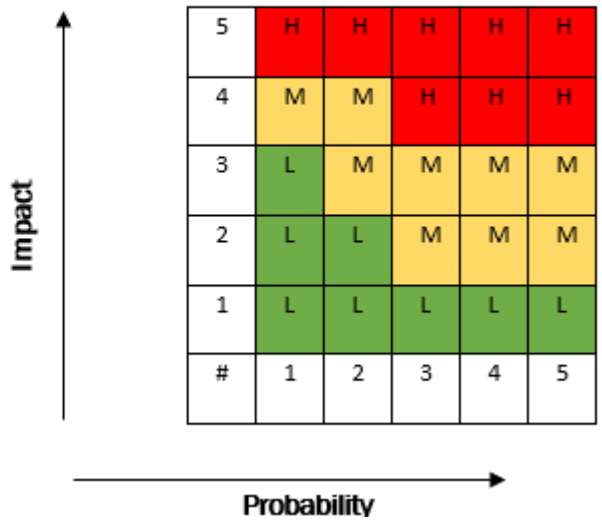
9/17/2024 EBF:

1. The Environmental and Social rating is "low". Yet, in the SRIF document, the ESS risk level is moderate. Please review and amend. While doing so, please ensure that the ?Explanation of risk and mitigation measures? is consistent with the SRIF.

B. ESS Risk Level[2]

Refer to the UNEP ESSF (Chapter IV) and the UNEP's ESSF Guidelines.

Low risk	☐
Moderate risk	■
High risk	☐
Additional information required	☐



5	H	H	H	H	H
4	M	M	H	H	H
3	L	M	M	M	M
2	L	L	M	M	M
1	L	L	L	L	L
#	1	2	3	4	5

2. Under the Overall Risk category, please provide an explanation of risk and mitigation measures under overall risk in the key risk table.

Agency Response

10/02/2024:

1. Corrected

2. General explanation added.

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 N/A

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?

Secretariat comment at CEO Endorsement Request 9/17/2024 EBF: Cleared.

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 9/17/2024 EBF: Cleared.

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

10/17/2024 EBF:

1. Cleared

9/17/2024 EBF:

1. Please clarify if the project aims to generate biodiversity benefits. If so, please 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).

Agency Response
10/02/2024:

1. Alignment with the Kumming-Montreal Biodiversity Framework included.

7 D. Policy Requirements
7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request9/17/2024 EBF: Cleared

Agency Response
7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request9/17/2024 EBF: Cleared

Agency Response
7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request9/17/2024 EBF: Cleared

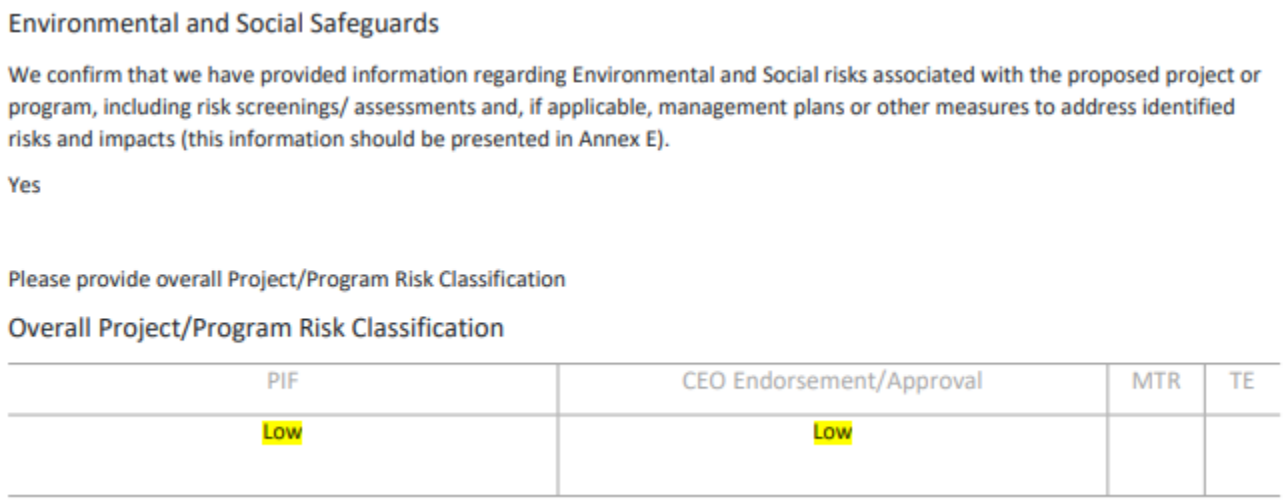
Agency Response
7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request
10/29/2024 EBF:

1. Cleared.

10/17/2024 EBF:

1. Although it has been corrected in the Risks table, the Environmental and Social Safeguards in the CEO Endorsement Document still appear as "Low" (see screenshot below). Please correct.



Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Low	Low		

2. Cleared

9/17/2024 EBF/TY:

1. The overall project risk classification in the Portal is indicated as Low. Yet, the SRIF indicates that the risk level is moderate. Please review and amend.

   From Portal:

Overall Project/Program Risk Classification

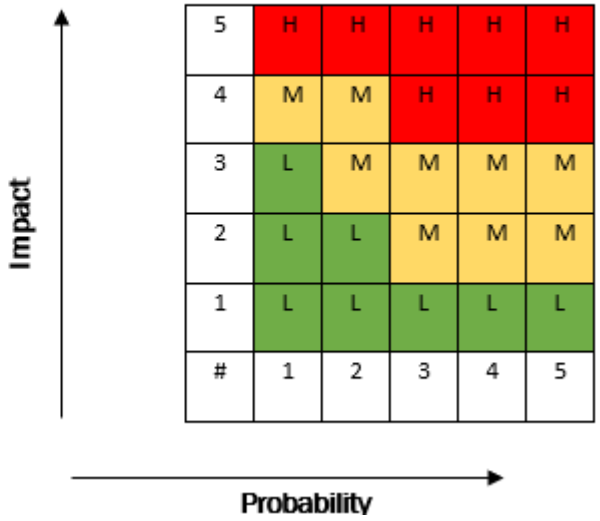
PIF	CEO Endorsement/Approval	MTR	TE
Low	Low		

From SRIF:

B. ESS Risk Level[2]

Refer to the UNEP ESSF (Chapter IV) and the UNEP's ESSF Guidelines.

Low risk	☐
Moderate risk	■
High risk	☐
Additional information required	☐



2. According to the SRIF: ?This is a moderate risk project triggering SS4. The project pilots to demonstrate the feasibility of using low-carbon materials and circular approaches will require the conduct of ESIAs and ESMPs to mitigate pollution risks prior to their implementation. Appropriate due diligence community safety and working conditions.?

   However, as stated in the SRIF, it is not clear how and when the project will develop an ESIA and ESMP. Please provide a plan for ESIA and ESMP, particularly related to the Safeguard Standards 4, with budget, timeline, and responsibility.

Agency Response
10/28/2024:

1. Corrected

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10/02/2024:

1. The environmental and social category are now consistently reported as 'moderate' risk. The overall project risk is low.

2. The ESIA / ESMP was added to the workplan (see deliverable 5.1.12)

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 Request9/17/2024 EBF: Yes, cleared.

Agency Response
Focal Area allocation?

Secretariat comment at CEO Endorsement RequestN/A

Agency Response
LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement RequestN/A

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement RequestN/A

Agency Response

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

Secretariat comment at CEO Endorsement RequestN/A

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement RequestN/A

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 Request

10/17/2024 EBF:

1. Cleared. Additional details of the activities conducted by the GEF Project Developer are now provided.

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

	GET/LDCF/SCCF Amount ($)		
Project Preparation Activities Implemented	Budgeted Amount	Amount Spent To date	Amount Committed
GEF Project Developer (stakeholder engagement, preparation of project documents, including technical design, work and financial plan, gender analysis and action plan, terms of references, among others)	27,775.00		27,775.00
National consultant for stakeholder engagement and data collection	15,000.00		15,000.00
Travel for consultants	3,000.00	1,809.00	1,830.00
Unused funds	4,225.00		
Total	50,000.00	1,809.00	44,605.00

9/17/2024 EBF:

1. Please provide additional details on what activities the GEF project developer did so that we can assess if this is an eligible expense. Please financially close the PPG with the Trustee in due time and return any unused funds.

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

	GET/LDCF/SCCF Amount ($)		
Project Preparation Activities Implemented	Budgeted Amount	Amount Spent To date	Amount Committed
GEF Project Developer	27,775.00		27,775.00
National consultant for stakeholder engagement and data collection	15,000.00		15,000.00
Travel for consultants	3,000.00	1,809.00	1,830.00
Unused funds	4,225.00		
Total	50,000.00	1,809.00	44,605.00

Agency Response
10/02/2024:

1. Activities performed by GEF project developer were specified.

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 Request9/17/2024 EBF: Yes, cleared.

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

10/29/2024 EBF:

1. Cleared

10/17/2024 EBF:

1. The co-finance letter from the Ministry of Environment of Chile mentions that the USD 1,134,069.00 contribution is in-kind. Your previous submission categorized it as an in-kind contribution (refer to the screenshot in our comment from 9/17/2024). However, it is now categorized in the portal as a public investment - recurrent expenditure. Please correct or clarify why it was categorized this way.

   Extract from the co-finance letter:

   - USD 1.134.069 en forma de contribución en especies, que incluye recursos del Fondo para el Reciclaje y presupuesto de la Oficina Circular del MMA, durante los cuatro años del proyecto. Dicha contribución financiará gastos regulares de la Subsecretaría, sinérgicos con las distintas componentes del proyecto, y para la implementación de economía circular a nivel nacional; y que incluyen el monitoreo, administración y gestión del personal a cargo del proyecto durante su duración.
   - USD 910.430 provenientes del Programa Calefacción Sustentable, que apoyará a realizar mejoras y recambio de calefactores para la reducción de emisiones y descarbonización de viviendas existentes en las distintas comunas del país.

   Screenshot from the portal:

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)	Upload letters of co-finance
Recipient Country Government	Ministry of Environment Chile	Public Investment	Recurrent expenditures	1,134,069.00	
Recipient Country Government	Ministry of Environment Chile	Public Investment	Recurrent expenditures	910,430.00	

2. All co-finance letters have been translated. Cleared.
3. Cleared
4. **Refer to comment 1.**

9/17/2024 EBF:

1. The co-finance letter from the Ministry of Environment of Chile is yet to be uploaded to the Portal form and the documents section of the project. Please upload it.

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)	Upload letters of co-finance
Recipient Country Government	Ministry of Environment Chile	Public Investment	Recurrent expenditures	1,134,069.00	
Recipient Country Government	Ministry of Environment Chile	Public Investment	Recurrent expenditures	910,430.00	
Recipient Country Government	National Service for Disaster Prevention and Response of Chile	In-kind	Investment mobilized	160,000.00	
Recipient Country Government	Interdisciplinary Center for Productivity and Sustainable Construction (CIPYCS)	Public Investment	Investment mobilized	1,065,000.00	
Recipient Country Government	Interdisciplinary Center for Productivity and Sustainable Construction (CIPYCS)	Public Investment	Recurrent expenditures	500,000.00	
Recipient Country Government	Agency for Sustainability and Climate Change (ASCC)	Public Investment	Recurrent expenditures	603,409.00	
Private Sector	ECOEd	Equity	Investment mobilized	229,000.00	
Civil Society Organization	Fundación Chile	In-kind		100,000.00	
Recipient Country Government	C2025	Public Investment	Recurrent expenditures	1,061,461.00	
Recipient Country Government	Technology Center for Innovation in Construction (CTEC)	Public Investment	Investment mobilized	3,335,754.00	
			Total Co-financing($)	**9,099,123.00**	

2. All the co-financing letters in the Portal are in Spanish. Please include an English translation of these letters per the GEF Co-financing Policy. While a formal translation is not required, the translation should be done to the best of the Agency's capacity.

3. The co-financing letters from SENAPRED, EcoEd and CTEC are categorized as "investment mobilized", yet the description in the respective letters seem to refer to "recurrent expenditures". Please review, justify, and amend if needed.

4. The co-financing letter from Fundacion Chile is missing the type of investment mobilized. Please fill in this category.

Civil Society Organization	Fundación Chile	In-kind		100,000.00	

Agency Response

10/28/2024:

1. Corrected

10/02/2024:

1. Uploaded.

2. All co-finance letters have been translated into English, and submitted to the portal alongside the original ones. New co-financing letters from Santander Bank and the Ministry of Public Works were also added.

3. Corrected.

4. Corrected.

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 Request9/17/2024 EBF: Yes, cleared.

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 Request9/17/2024 EBF: Yes, cleared.

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 Request9/17/2024 EBF: Yes, cleared.

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?

Secretariat comment at CEO Endorsement Request

10/17/2024 EBF:

5. Cleared

10/17/2024 EBF:

1. Cleared
2. Cleared
3. Cleared
4. Noted. Cleared.
5. Thank you for the modification. However, we still recommend revising indicator 4.(i) and its targets.
    1. The indicator refers to # of instruments, yet the text under parenthesis refers to stakeholders (refer to text highlighted in blue in the screenshot).
    2. The additional text in the mid-term target (highlighted in yellow) hasn't changed significantly since the first submission except for adding "Note however that", which could be removed. It doesn't improve the understanding of the target.
    3. The end of project target doesn't match the indicator. It refers to certain stakeholders referencing the estimates and methodologies, while the indicator refers to # of instruments. Also, assuming "1 private institution" will reference these estimates and methodologies doesn't seem too ambitious. We recommend revising the end-of-project target, so it matches the revised indicator.

Output 4.1: Methodologies and information products on, inter alia, costs, impacts, carbon accounting and environmental footprint relevant for the valuation of externalities in the construction and demolition sector are available to public and private stakeholders	4.(i) # of instruments (SNI, financial institutions' portfolio, construction companies,...) that use the footprint estimate and/or methodological tool	0	0. Note however that, by mid-term, key deliverables for this indicator should be ready (mainly, the Construction and demolition sector mass and energy balance and the overspecification estimate).	2. As a minimum, the estimates and methodologies should be referenced in i) the SNI and ii) by 1 private institution (CChC, INN, banks, others)	Evidence to be provided by the project team in the final report.	- Institutional capacity for implementation and sustainability - Stakeholder Engagement

9/17/2024 EBF:

1. Please refer to our comments in the core indicator section and ensure they are consistent in Annex C.
2. Regarding gender, please integrate the gender indicators developed in the Gender Action Plan, as relevant, into the Results Framework and ensure that the activities in the GAP are budgeted.
3. In addition, the end of the project target from Core Indicator 6 (351,817 tCO2e) doesn't match the target indicated in the Core Indicators table (352,004 tCO2e). Please review and amend.

4. Regarding the end of project target for Outcome 1, please clarify why 70% was selected instead of 100%?

Objective	Indicator	Baseline	Mid-term target	End of project target	Means of verification	Risks (see section B6)
Outcome 1: National, regional and local governments adopt low-carbon, circular policies and regulations in the construction and demolition sector	1. (a) % of circular construction framework regulations (bill, regulations and programmes) submitted for approval/adoption by relevant authorities.	n.a.	The regulatory package has been drafted and adopting entities for each identified. 100% of the proposals have been submitted and approved by the PSC and relevant entities in the advisory body	70% of the package (i.e. all bills, regulations and programmes in C1) has initiated adoption process in the relevant institution	The project base team will keep an updated list of items in the regulatory package together with the adoption status by each relevant entity (e.g. congress, ministries, municipalities), as well as relevant evidence for each.	- Political and Governance - Strategies and Policies - Stakeholder Engagement

5. The mid-term and end of project target for Output 4.1 don't seem to match with the indicator. Please review and amend.

Output 4.1: Methodologies and information products on, inter alia, costs, impacts, carbon accounting and environmental footprint relevant for the valuation of externalities in the construction and demolition sector are available to public and private stakeholders	4.(i) # of instruments (SNI, financial institutions' portfolio, construction companies,...) that use the footprint estimate and/or methodological tool	0	0. By mid-term, key deliverables should be ready (mainly, the Construction and demolition sector mass and energy balance and the overspecification estimate).	2. As a minimum, the estimates and methodologies should be referenced in i) the SNI and ii) by 1 private institution (CCHC, INN, banks, others)	Evidence to be provided by the project team in the final report.	- Institutional capacity for implementation and sustainability - Stakeholder Engagement

Agency Response

10/28/2024:

5. Indicator 4 (i) and its target edited.

10/02/2024:

1. The core indicator section and Annex C have been consistently edited.

2. The gender dimension of the results' framework has been strengthened. Note however that the GAP includes an entire set of additional gender indicators, with goals and targets for each, additional to those in Annex C. The GAP will be implemented by the Communication, Knowledge Management and Gender expert, included both in the project?s budget and workplan, with its own reporting (to be included as part of all project reporting - PIRs, MTR, TE).

3. Corrected.

4. Kindly note that this a minimum target. The adoption of the recommendations arising from the project will depend on a number of external actors and factors, and some of the approval processes (e.g. the congress bill) will require substantial time and discussion, going beyond the time at which the indicators will be evaluated, i.e. the Terminal Evaluation. Therefore, if a minimum of 70% of the reform package to be produced through the project has reached the approval stages by the time of the terminal evaluation would already be considered a success for the project. The text in the indicator has been reworded to reflect that 70% is a minimum target.

5. As for most output indicators the value will be zero at MTR, we have also indicated some of the processes and key deliverables that should have nonetheless materialized to ensure that progress towards the indicator is taking place. In the case pointed out, for stakeholders to start adopting the estimates produced by the project, it is important that these deliverables are produced on time. We have reformulated the text for clarity.

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
10/17/2024 EBF:

1. Cleared

9/17/2024 EBF:

1. The Geo Name ID is missing. Please amend.

Location Name	Latitude	Longitude	Geo Name ID	Location & Activity Description
Santiago	-33.45694	-70.64827		

Agency Response
10/02/2024

1. Added

Annex G: GEF Budget template
8.8 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
10/17/2024 EBF:

1. Cleared. Terms of reference for the Chief Technical Advisor (CTA), Technical Officer (TO), and Junior Technical Officer (JTO).
2. Cleared. While there are some overlaps in tasks like managing technical specifications, organizing workshops, and contributing to reports. Based on the TORs provided, the potential duplication is addressed by the distinct levels of responsibility and specialization. If our understanding is correct, the CTA provides leadership and oversight, the TO focuses on specific technical areas, and the JTO assists with administrative and supportive tasks.

9/17/2024 EBF:

1. The Chief Technical Officer, the Technical Officer, and the Junior Technical Officer are charged across components -- with the Chief Technical Officer also charged to PMC. Per Guidelines, the costs associated with the project?s execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. When the situation merits (i.e. not enough co-financing funds), the project?s staff could be charged to the project?s components with ?clear Terms of Reference describing unique outputs linked to the respective component? (paragraph 4 ? page 42 of the Guidelines).
2. In line with the previous comment, please justify why these three positions (i.e., Chief Technical Officer, Technical Officer, and Junior Technical Officer) at different levels but with presumably the same area of expertise/work are required.

Kindly provide clear terms of reference for this position. We couldn't find the Agency's project document in the documents section where the terms of reference are commonly available. Please ensure to upload the agency's project document to the documents section and mark it as a public document.

Annex G: GEF Format Budget									
	Component 1	Component 2	Component 3	Component 4		M&E	PMC		
GEF budget category & detailed description	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Subtotal	M&E	PMC	Total	Responsible entity
02. Goods							$ 4.500	$ 4.500	
Laptops							$ 4.500	$ 4.500	FCh
04. Grants/Subgrants			$ 100.000		$ 100.000			$ 100.000	
FPA/FPR support grant			$ 100.000		$ 100.000			$ 100.000	FCh
06. Sub-contract to executing partner/entity	$ 90.828	$ 703.379		$ 405.794	$ 1.200.001	$ 3.589		$ 1.203.590	
CIM - CENAMAD (circular wood)		$ 169.399			$ 169.399			$ 169.399	FCh
CTEC (innovative asphalts)		$ 392.156			$ 392.156			$ 392.156	FCh
CIPYCS (remote sensing)				$ 76.329	$ 76.329			$ 76.329	FCh
INE (circular statistics)				$ 77.272	$ 77.272			$ 77.272	FCh
InnovaCiclo (studies and methodologies)	$ 90.828	$ 20.396		$ 232.192	$ 343.417	$ 3.589		$ 347.006	FCh
INN (IQIS)		$ 121.428			$ 121.428			$ 121.428	FCh
ChileValora (work profiles)				$ 20.000	$ 20.000			$ 20.000	FCh
07. Contractual services (company)	$ 284.989	$ 47.129	$ 82.304	$ 48.249	$ 462.671	$ 75.216	$ 53.146	$ 591.033	
Mid-term & Terminal Evaluation						$ 70.000		$ 70.000	UNEP
Legal Consultancy	$ 98.078				$ 98.078			$ 98.078	FCh
Financial Consultancy	$ 136.054		$ 47.096		$ 183.149			$ 183.149	FCh
Communications services		$ 11.920			$ 11.920			$ 11.920	FCh
Technical supervision and coordination	$ 50.857	$ 35.209	$ 35.209	$ 48.249	$ 169.524	$ 5.216		$ 174.740	FCh
Audit							$ 20.000	$ 20.000	FCh
Software licenses							$ 6.000	$ 6.000	FCh
Procurement, HR, legal, record keeping and other operational support costs							$ 27.146	$ 27.146	FCh
11. Salary and benefits/Staff Costs	$ 290.995	$ 222.713	$ 130.593	$ 209.014	$ 853.316	$ 51.522	$ 82.282	$ 987.120	
Chief Technical Advisor	$ 37.579	$ 93.486	$ 23.456	$ 64.433	$ 218.953	$ 13.055	$ 16.392	$ 248.400	FCh
Technical Officer	$ 30.250	$ 46.092	$ 53.209	$ 56.749	$ 186.300			$ 186.300	FCh
Legal expert	$ 106.920				$ 106.920			$ 106.920	FCh
Project economist & statistics expert	$ 104.085		$ 40.635	$ 5.130	$ 149.850			$ 149.850	FCh
Junior Technical Officer	$ 5.785	$ 4.469	$ 7.574	$ 68.297	$ 86.124	$ 7.026		$ 93.150	FCh
Communications, KM and gender expert	$ 6.377	$ 78.667	$ 5.720	$ 14.405	$ 105.169	$ 4.181		$ 109.350	FCh
Administrative Officer						$ 27.260	$ 65.890	$ 93.150	FCh
12. Training, Workshops, Meetings		$ 8.000		$ 3.200	$ 11.200	$ 800		$ 12.000	
Venue & catering services		$ 8.000		$ 3.200	$ 11.200	$ 800		$ 12.000	FCh
13. Travel	$ 10.757	$ 19.908	$ 12.908	$ 20.683	$ 64.256			$ 64.256	
International travel		$ 17.040		$ 11.360	$ 28.400			$ 28.400	FCh
Local travel	$ 10.757	$ 2.868	$ 12.908	$ 9.323	$ 35.856			$ 35.856	FCh
14. Office supplies							$ 1.200	$ 1.200	
Grand Total	$ 677.569	$ 1.001.129	$ 325.806	$ 686.939	$ 2.691.443	$ 131.128	$ 141.128	$ 2.963.699	

Agency Response

10/02/2024:

1. The project document has been uploaded into the portal, containing the TORs for all positions.

2. As shown in the project?s terms of reference, each deliverable in the project?s workplan has been assigned to one (and only one) member of the project team, according to their background and expertise, thus avoiding duplication of efforts. To efficiently assign resources, lower

responsibility tasks will be assigned to a junior technical officer (i.e. including drafting of Terms of Reference and other technical documents required for procurement processes, as well as some of the technical reporting involved). This will liberate the CTA and the (senior) technical officer for focusing on more critical tasks (e.g. development of methodologies and technical norms in the case of the technical officer; output planning and supervision and stakeholder engagement in the case of the CTA).

Annex H: NGI Relevant Annexes
8.9 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 RequestN/A

Agency Response
30/10/2024: COMMENTS UNDER **GEFSEC Recommendation.**

Changes effected.

Additional Annexes
9. GEFSEC DECISION

9.1.GEFSEC Recommendation
Is the project recommended for approval

Secretariat comment at CEO Endorsement Request
10/29/2024 EBF: The PM recommends the project for further processing.

10/29/2024 EBF: Please remove highlights in the Project Results Framework from the portal form. Also, ensure to upload a clean version of the agency's project document as a public document.

10/17/2024 EBF: Please address the comments above and remove highlights from the portal form and agency project document. Also, ensure to upload the agency's project document as a public document.

9/17/2024 EBF: Please address the comments above and highlight any changes in yellow for ease of review. Also, ensure to upload the agency's project document as a public document.

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

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	**9/17/2024**	**10/2/2024**
Additional Review (as necessary)	**10/17/2024**	**10/28/2024**
Additional Review (as necessary)	**10/29/2024**	
Additional Review (as necessary)	**10/30/2024**	
Additional Review (as necessary)		