GEF GOLD+ Nicaragua: Enhancing the formalization and mercury reduction in the artisanal and small-scale gold mining in Nicaragua

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10847

Countries

Nicaragua

Project Name

GEF GOLD+ Nicaragua: Enhancing the formalization and mercury reduction in the artisanal and small-scale gold mining in Nicaragua

Agencies

UNIDO

Date received by PM

9/16/2022

Review completed by PM

10/19/2022

Program Manager

Evelyn Swain
Focal Area

Chemicals and Waste
Project Type

FSP

PIF □
CEO Endorsement □

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request Yes, this project's structure is appropriately designed to fit into the GOLD Program and is consistent with the PFD and other child projects under the program.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request Yes. There is also significant co-financing from the private sector.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

Table C is not visible on the portal. Please try to re-load this PPG report.

ES, 11/14/22: PPG status has been provided. Comment cleared.

Agency Response

It was possible to see Table C from the Agency?s side. It has now been re-uploaded as a screenshot, and it is also available as a separate annex document.

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request Yes, the GEBs, including the mercury GEBs are adequate.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Yes, the project is well justified.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Yes, the baseline is well elaborated.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

Yes, the alternative scenario is well developed and consistent with the program.

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes, the GEBs are well elaborated and consistent with the core indicators.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

Yes, innovation, sustainability and scale up and elaborated.

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Child Project

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

Secretariat Comment at CEO Endorsement Request

Yes, it's clear that this project will contribute to the GOLD Program as a whole.

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes, stakeholders engagement is robust, including government, private sector, Indigenous Peoples, IGOs, academia, etc.

Agency Response

Gender Equality and Women?s Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Yes, a gender analysis was completed and summarized.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Yes, there is significant engagement with the private sector.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Yes, risks including pandemic related risks and climate risks have been identified.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

The Government has requested UNIDO to execute the project. While this type of arrangement is not typical of GEF funded projects on an exceptional basis the GEF can approve the Government's request.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes. This project will work with the MIA and NAP.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

Yes. The KM approach is defined.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

Yes, the M&E plan is included.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes, the socioeconomic benefits are defined.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

There is an issue reading the Council and STAP comments in Annex B. And PPG in Annex C.

ES, 11/14/22: Annex B and C are now visible.

Agency Response

Annex B referring to the comments from the Council and the STAP as well as Annex C PPG have been re-uploaded to the GEF Portal and are also accessible as separate annexes.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

The Results Framework is included.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

PPO has the following comments:

Child project to be returned to the Agency due to:

1. Both Annex B and C are not loaded properly in Portal, so it is not possible to assess the completeness and accuracy of the information. Please ask the Agency to amend.

2. Budget table:

i. The Financial Specialist is being charged to component 2. Per guidelines, project?s staff should be charged to the GEF and co-financing portions allocated to PMC. Please request the agency to review and correct considering that 2.1 million of co-financing were allocated to PMC, and nearly 32 million of the co-financing is represented in grants/equity, so there is room for covering this position. ? please ask the Agency to amend:

ii. Office supplies should be charged to PMC, not to project components:

ES, 11/14/22: PPO comments have been addressed.

Agency Response

Comment 1:

Annex B referring to the comments from the Council and the STAP as well as Annex C PPG have been re-uploaded to the GEF Portal and are also accessible as separate annexes.

Comment 2:

i) The financial specialist included in the project team will not undertake the functions envisaged for the financial management of the project. The financial specialist will be in charge of implementing component 2 which seek to propose innovating models to increase access to finance for artisanal and small-scale miners and provide education to both financial institutions, investors and lenders as well as mining organizations and individuals. For that reason, the expert will be charged to its specific component instead of PMC.

ii) Office supplies have been charged to PMC as the comment advised and the budget reflects these changes.

Please note that due to technical issues, within the CEO document, only a summary of the budget table on Component-level has been uploaded. It is not possible to save the entire table which is available as an attachment to the submission.

Council comments

Secretariat Comment at CEO Endorsement Request

There is an issue reading the Council and STAP comments in Annex B. The section is blank. Please re attached the response to comments.

ES, 11/14/22: Council and STAP comments have been addressed.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

There is an issue reading the Council and STAP comments in Annex B. The section is blank. Please re attached the response to comments.

ES, 11/14/22: Council and STAP comments have been addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request Minamata Convention Comments have been addressed.

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

Annex C also can not be seen. Please re upload the PPG utilization.

ES, 11/14/22: PPG utilization is now provided.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Not at this time. Some issues remain.

ES, 11/14/22: CEO Endorsement is recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	**10/19/2022**	**11/13/2022**
Additional Review (as necessary)	**11/19/2022**	
Additional Review (as necessary)	**11/14/2022**	
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations

This project supports Nicaragua joining the planetGOLD program umbrella. The objective of the program is ?to reduce the use of mercury in the ASGM sector in the participating countries through a holistic, multisectoral integrated formalization approach, and increasing access to finance leading to adoption of sustainable mercury free technologies and access to traceable gold supply chains.? The planetGOLD program works in partnership with governments, the private sector, and ASGM communities in countries to significantly improve the production practices and work environment of artisanal and small-scale miners. By working to close the financing gap, supporting formalization, raising awareness, and connecting mining communities with mercury-free technology and formal markets, the program aims to demonstrate a pathway to cleaner and more efficient small-scale gold mining practices that benefit everyone, from mine to market. GEBs from the project will contribute to 14 Metric Tons of mercury reduced.