



Environmentally sound management and disposal of excess mercury and mercury waste from removing mercury electrolytic cells in Brazil's chlor-alkali sector (Chlor-alkali Brazil)

Review PIF and Make a recommendation

Basic project information

GEF ID

11697

Countries

Brazil

Project Name

Environmentally sound management and disposal of excess mercury and mercury waste from removing mercury electrolytic cells in Brazil's chlor-alkali sector (Chlor-alkali Brazil)

Agencies

UNEP

Date received by PM

9/18/2024

Review completed by PM

9/29/2024

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 information is appropriate.

Agency's Comments

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 The project summary is concise, describes the project and the GEBs.

Agency's Comments

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

It is not clear with the 3 facilities will be converted or decommissioned. Please clarify this. If they are decommissioned what will happen with an contamination from the site that is left behind?

ES, 10/29: Decommissioning and conversion has been clarified. Comment cleared.

Agency's Comments

October 28, 2024:

The text has been revised to clarify that all three facilities will first safely decommission the mercury cells then stabilize excess mercury and treat contaminated materials. Subsequently, the chlor-alkali facilities will undergo technological conversion to non-mercury processes. BAT and BEP will be introduced both during the decommissioning and conversion processes. These clarifications have been added in yellow in all references related to Component 2.

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

Secretariat's Comments

Yes, gender, KM and M&E are included.

Please include in section 9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval: Once the gender analysis has been conducted and the Gender Action Plan developed, the Agency is requested to incorporate the findings to strengthen the reflection of gender perspectives in the project components. The agency is also requested to provide some indicative budget for the Gender Action Plan and related gender-specific activities/outputs.

ES, 10/29: This comment has been addressed. Comment cleared.

Agency's Comments

October 28, 2024:

The recommendation has been directly incorporated into the text of the PIF (in yellow) and will be carefully observed prior to CEO Endorsement submission. The following text has been included: *Findings from the gender analysis and action plan will be incorporated into the project to strengthen the reflection of gender perspectives in the project components. A budget will be dedicated to the Gender Action Plan and related gender-specific activities/outcomes*.

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

On PMC proportionality: if the GEF contribution is kept at 5%, for a co-financing of \$344,100,000 the expected contribution to PMC must be around \$17,205,000 instead of \$150,000 (which is 0.04%). As the costs associated with the project management must be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please ask the Agency to amend either by increasing the co-financing portion and/or by reducing the GEF portion. A more definitive estimation of PMC will be presented and adjusted at CEO Endorsement stage.

ES, 10/29: Co-financing amounts have been revised. Comment cleared.

Agency's Comments

October 28, 2024:

Indicative co-financing amounts have been revised to ensure proportionality with expected PMC. Both the final budget and co-financing will be confirmed and detailed during the project preparatory phase.

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, the current situation and key barriers with the clor alkali sector in Brazil are well described.

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

This project will overlap with the other GEF financed chlor alkali sector project in Mexico in terms of duration, so there will be opportunities for sharing lessons and experiences.

Relevant stakeholders are identified.

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 Theory of change is included and includes assumptions.

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

FECD, a Brazilian non-profit organization who acts as a mediator between the university and civil society was chosen as executing partner. Does this organization have the technical expertise needed for this type of project?

This section would benefit from an organogram showing the implementation arrangements.

Potential coordination is well described, including coordination with the Mexico Chlor alkali project.

ES, 10/29: The issues have been clarified but the organigram is not visible in the portal. Please upload it.

ES, 10/30: The organigram is uploaded. Comment Cleared.

Agency's Comments

October 28, 2024:

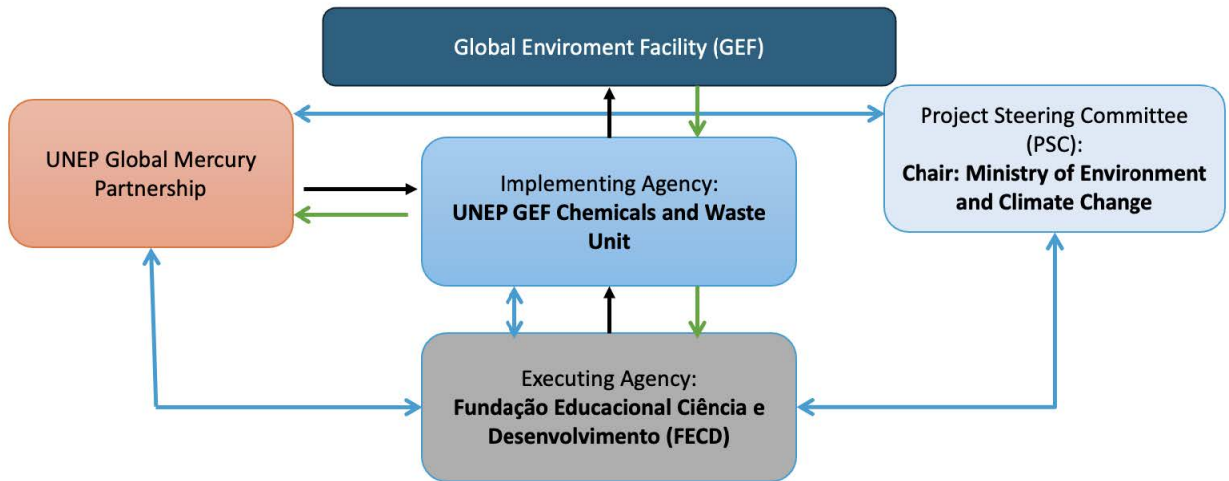
Additional information has been included in relation to FECD's role to further elaborate on its selection criteria. The justification emphasizes FECD's extensive technical expertise, which is rooted in its long-standing collaboration with leading academic and research institutions. FECD's strong background in chemicals management and experience with large-scale initiatives equips them to execute the project effectively, despite not having direct experience in the chlor-alkali sector. For more specialized sector knowledge, they will consult and collaborate with experts to ensure all technical aspects are properly addressed.

The following clarifications has been included in the PIF: ??FEDC serves as a mediator between the university and civil society, facilitating a range of initiatives that provide innovative solutions derived from the extensive knowledge and expertise of Brazil's academic and research institutions. Working closely with UFRJ's professors ? who are among the leading experts in mercury contamination analysis in Brazil ? FECD has the capacity to bring additional experts from other institutions when needed.??

??FECD previously worked on large projects in partnership with leading organizations such as WHO, UNEP, the National Service for Industrial Training (SENAI), Brazil's Biodiversity Fund (FUNBIO), and a number of prestigious universities, including Durham, Oxford Brookes, York, and Birmingham.??

An organigram explaining the implementation arrangements has been added to the PIF (available below for easy reference).

October 30, 2024: The organigram has been re-uploaded under the institutional arrangements (also below and in the compiled project documents).



Notes:

Green indicates flow of funds disbursed for the project

Black indicates financial and programmatic accountability of funds disbursed

Blue indicates reporting, collaboration and coordination between entities

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 Yes, GEBs are identified and appropriate.

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) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?

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 screened and rated at this stage and consistent with requirements set out in SD/PL/03?

Secretariat's Comments Risks are articulated and rated.

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

This project builds off of the project in Mexico and because the Mercury Partnership is involved it will be able to inform project in other countries.

Policy coherence aspects of the project should be better described.

ES, 10/29: Additional information provided. Comment cleared.

Agency's Comments

October 28, 2024:

Additional details on policy coherence have been included in the PIF (in yellow). Nevertheless, these will be further elaborated upon following consultations to be held during the project preparatory phase with the key governmental authorities and other relevant stakeholders.

Please see clarifications included in the PIF below:

??In addition, the project supports the Ministry of Environment's Strategic Planning (2024-2027), which prioritizes the need for responsible chemical management and hazardous waste disposal. By supporting these national priorities, the project not only addresses environmental concerns but also integrates sustainable industrial practices that can foster economic and social benefits.??

??At a broader level, the project will contribute to policy coherence by aligning with existing national, state, and municipal regulations, including Brazil's broader environmental laws and policies. This ensures that the project's interventions are aligned with both national and local legislative frameworks, which is critical for its smooth implementation. Additionally, it will support Brazil's industrial growth by promoting sustainable practices, contributing to the country's long-term development goals, and reinforcing Brazil's leadership in environmental governance on the international stage.??

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 this project is in line with the GEF-8 CW strategy.

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 project is in line with the Minamata Convention.

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 This project does not have BD benefits.

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

Please provide some brief description of additional stakeholder including beneficiaries, civil society etc. as well as approach to consult with as part of the development of the subsequent stakeholder engagement plan.

ES, 10/29: Additional information provided. Comment cleared.

Agency's Comments

October 28, 2024:

Additional stakeholders such as Non-Governmental Organizations (NGOs), Civil Society Organizations (CSOs) and Beneficiaries have been included in both the PIF and Appendix 3. Approaches to consultation have also been referenced although these will be confirmed at the beginning of the project preparatory phase.

The following text has been included:

"Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs). These can include environmental NGOs, health-related organizations, labour unions and worker associations.

Beneficiaries. This group includes both the individuals directly employed by the chlor alkali industry who will benefit from improvements in health, safety and environmental standards as well as local communities living near production facilities who are exposed to environmental impacts.

During the preparatory phase, through the stakeholder engagement plan all of the actors mentioned above will be engaged and invited to participate as part of the project. Approaches to consultation with the above groups can include workshops, surveys and interviews, focus groups, public consultations, among others."

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 NA

Agency's Comments

Focal Area allocation?

Secretariat's Comments Yes.

Agency's Comments

LDCF under the principle of equitable access?

Secretariat's CommentsNA

Agency's Comments
SCCF A (SIDS)?

Secretariat's CommentsNA

Agency's Comments
SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's CommentsNA

Agency's Comments
Focal Area Set Aside?

Secretariat's CommentsNA

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 CommentsYes.

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 CommentsCo-financing from the private sector companies involved in this project is included.

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 Yes.

Agency's Comments

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 NA

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

Not at this time. Some issues remain.

Not at this time. Please upload the institutional arrangements organogram.

ES, 10/30: Technical clearance is recommended.

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	9/29/2024	
Additional Review (as necessary)	10/29/2024	
Additional Review (as necessary)	10/30/2024	
Additional Review (as necessary)		
Additional Review (as necessary)		