

Eliminate mercury use and adequately manage mercury and mercury wastes in the chlor alkali sector in Mexico

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10526

Countries

Mexico

Project Name

Eliminate mercury use and adequately manage mercury and mercury wastes in the chlor alkali sector in Mexico

Agencies

UNEP

Date received by PM

2/14/2022

Review completed by PM

4/5/2022

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, the project remains aligned with the PIF and where it differs justification is provided.

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, the project design is appropriate.

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, co-financing is adequately documented.

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 Yes, the PPG utilization is reported in annex C

Agency Response
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 The indicators remain similar to PIF stage.

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.

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.

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.

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, the links to the CW focal area are elaborated.

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. In addition to mercury benefits the project will achieve co-benefits for climate.

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, the project include innovating aspects including innovative financing and will also be a model for other countries in the region and globally for managing their chlor alkali sector.

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

NA

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, stakeholder engagement is included.

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 is complete.

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, the private sector is a key partner.

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 have been addressed, including COVID-19 and climate risks.

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

Yes.

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 addresses a number of national priorities, including the Minamata Convention MIA.

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.

Agency Response

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

Yes.

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.

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.

Agency Response
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
Yes.

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request The project results framework is adequate.

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Responses to PPO comments entered here:

1. Focal area outcome has been inserted
2. Core indicators targets have been included and aligned with the Project Results Framework in Annex A.
3. Budget table in Annex E has been revised per GEF template guidelines.

Council comments

Secretariat Comment at CEO Endorsement Request Council comments from Norway, Denmark, Germany and UK have been addressed.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request STAP comments have been addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

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 PPG utilization has been provided.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Maps are included.

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

CEO endorsement is recommended.

ES, 4/8/22: PPO has the following comments

Project to be returned to the Agency due to:

1. Focal Area outcomes are missed ? please ask the Agency to amend
2. Core indicators: Core Indicators targets need to be aligned with Project's Results Framework (Annex A). GEF Core Indicators should be explicitly mentioned in the Results Framework in Annex A. Please request the agency to include Core Indicators in the Results Framework in the Annex A.
3. The budget table included in Annex E in Portal doesn't fully follow the template included in Guidelines ? also, there is no excel budget table uploaded in the Portal to facilitate GEFSEC's. As the budget is presented component by component, we cannot assess the different expenditure categories (i.e. staff costs, consultants, equipment, training/workshop/meetings, travel, operating costs, etc.) and how they are charged to the three identified sources (project's components, M&E and PMC). Hence, it is not possible to assess the reasonability of the expenditures vis-à-vis the sources. One needs the different expenditure categories in one table charged to the different sources. Please request the Agency to revise, use the GEF template included in Guidelines (or a similar format that shows categories such as e.g. staff costs, consultants, equipment, training, workshop, travel, operating costs, etc., and sources e.g. project's components, M&E and PMC) and resubmit for our review ? all budget tables have to match (in Portal, in ProDoc, in the documents' tab). We will be in a position to provide comments by the resubmission.

ES, 4/25/22: Issues have been addressed. CEO Endorsement is recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	4/4/2022	
Additional Review (as necessary)	4/8/2022	
Additional Review (as necessary)	4/25/2022	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations

This project will eliminate mercury use and manage mercury and mercury wastes in the chlor alkali sector in Mexico. Chlor alkali is a key feedstock for chlorine production which is used in many applications, including sanitizing the water supply. Older chlor alkali facilities use mercury cells containing hundreds of tons of mercury, but mercury free technology is commercially available. Under the Minamata Convention countries are required to discontinue mercury in this sector. The project will reduce negative impacts of mercury and mercury wastes from the chlor-alkali sector on human health and the environment in Mexico by supporting the decommissioning and conversion of the two remaining mercury chlor alkali facilities in Mexico and ensure the stabilization, treatment and disposal of excess mercury and contaminated materials from the two decommissioned and converted plants. Co-financing is already secured for conversion of the two facilities. As this is the first chlor alkali project supported by the GEF and a priority under the Minamata Convention, it will create important knowledge and communication materials for other countries to address their chlor alkali sector. The project will address 130 metric tons mercury, 53,700 metric tons contaminated material, and 43,186 metric tons CO₂e.