



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Integrated Sound Management of Mercury in Peru's Artisanal and Small-scale Gold Mining (ASGM)			
Country(ies):	Peru	GEF Project ID: ¹	9710
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5874
Other Executing Partner(s):		Submission Date:	2017-12-31
GEF Focal Area (s):	Chemicals and Wastes	Project Duration (Months)	60 months
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	Global Opportunities for Long Term Development (GOLD) in the Artisanal and Small Scale Gold Mining (ASGM) Sector	Agency Fee (\$)	359,100

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
(select) CW-2 Program 4 (select)	Reduction or Elimination of Anthropogenic emissions and releases of mercury to the Environment	GEFTF	3,990,000	35,233,512
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
(select) (select) (select)		(select)		
Total project costs			3,990,000	35,233,512

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Protect human health and the environment from mercury releases originating from the intentional use of mercury in artisanal and small-scale gold mining (ASGM)						
Project Components/ Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
Component 1: Strengthening institutions and the policy/ regulatory framework for Mercury-free ASGM.	TA	1.1 National systems have the capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector.	1.1.1 Capacity of 4 government entities increased to improve their capacity to assess, plan, and implement sustainable and mercury-free	GEFTF	374,000	3,300,000

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

		1.2 Enabling environment created through improved national policies and regulatory frameworks for ASGM and mercury phase-out in the ASGM sector.	interventions in the ASGM sector. 1.2.1 Two (2) policies, regulations and standards revised and/or developed to improve the enabling environment for ASGM and mercury phase-out in the ASGM sector.			
Component 2: Establishing financing lending arrangements to provide loans for mercury free processing equipment.	TA	2.1 Loans for the purchase of mercury-free processing equipment/investments are accessible to legalized ASGM miners/cooperatives/associations. 2.2 12 ASGM miner groups (of which 20% of the miners are women) are capacitated to apply for loans for mercury-free processing equipment/investments.	2.1.1 Four (4) new/improved financial products/mechanisms (including women friendly financial products) established for the ASGM sector. 2.1.2 US\$ 15 million (Total amount of funding) available to the ASGM sector through existing/new financial mechanisms. 2.1.3 US\$ 3 million (Total amount of funding) allocated to the ASGM sector through approved loans. 2.2.1 1,200 ASGM miners (of which 400 women, 800 men and miners are trained in developing a loan/investment application (incl. undertaking technical and financial feasibility studies). 2.2.2 12 loan applications developed (with technical support of the project). 2.2.3 50% of loan applications (developed with technical support of the project) approved.	GEFTF	1,309,000	11,700,000
Component 3: Increasing capacity for mercury-free ASGM through provision of technical assistance, technology transfer	TA	3.1 15 tonnes of mercury avoided through the introduction of BEP, BAT and socially and environmentally sound	3.1.1 Total mercury use/releases from ASGM avoided by 15 tonnes. 3.1.2 2,000 kg of gold	GEFTF	1,478,500	13,200,000

and support for formalization.		<p>ASGM practices.</p> <p>3.2 12 ASGM miner groups (of which 20% of the miners are women) supported in their formalization processes leading to more sustainable income opportunities and safer working conditions.</p> <p>3.3 Route to market for mercury-free gold improved/established.</p>	<p>produced without mercury.</p> <p>3.2.1 At least 1,200 ASGM miners (of which 400 women miners and 800 men miners) supported in their formalization processes.</p> <p>3.3.1 700 kg of mercury-free gold sold to the formal market.</p>			
Component 4: Monitoring and evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices.	TA	<p>4.1 19,000 people (5,000 women and 14,000 men) of whom awareness has been raised on the dangers of mercury and ways to reduce its use in ASGM.</p> <p>4.2 M&E and adaptive management applied in response to needs and Mid-Term Evaluation findings.</p> <p>4.3 Project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF GOLD Global Dissemination Platform for national and global dissemination, using report templates provided by the GEF GOLD global component where appropriate.</p>	<p>4.1.1 Awareness raised of 19,000 people (5,000 women and 14,000 men) on the dangers of mercury and ways to reduce its use in ASGM.</p> <p>4.2.1 34 of GEF M&E requirements met and adaptive management applied in response to needs and Mid-term Review (MTR) findings.</p> <p>4.3.1 1 GEF GOLD country project webpage maintained.</p> <p>4.3.2 Country project participated in 1 Global ASGM Forum, 1 Annual Programme Conference, and 12 monthly programme/project calls on a yearly basis.</p> <p>4.3.3 Opportunities for communication of project activity results at a global level are identified on a quarterly basis in collaboration with the GEF GOLD global component.</p> <p>4.3.4 On a quarterly basis, information on project progress (using</p>	GEFTF	638,500	5,500,000

			agreed metrics and templates provided by the GEF GOLD global component where appropriate) is submitted to the GEF GOLD global component.			
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Subtotal						3,800,000 33,700,000
Project Management Cost (PMC) ⁴ – Including up to 59,987 US\$ in Direct Project Costs)				(select)		190,000 1,533,512
Total project costs						3,990,000 35,233,512

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	Ministry of Energy and Mines	Grant	25,700,000
Recipient Government	Regional Government – DREM Piura	In-kind	447,280
Recipient Government	Regional Government – GREM Arequipa	Grant	1,092,305
Donor Agency	International Cooperation - Embassy of Canada in Peru	Grant	3,118,026
Donor Agency	SECO – BGI	Grant	1,798,430
CSO	ARM	In-kind	615,905
CSO	ARM	Grant	962,305
CSO	CIRDI	Grant	1,474,261
GEF Agency	UNDP	In-kind	25,000
Total Co-financing			35,233,512

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	GEF TF	Peru	Chemicals and Wastes	Mercury	3,990,000	359,100	4,349,100
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total Grant Resources					3,990,000	359,100	4,349,100

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	metric tons
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>15 metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i>

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/CBIT Trust Fund) in Annex D.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

A.1. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

- 1) The global environmental problems, root causes and barriers that need to be addressed.

NA. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex Q to the UNDP-GEF Project Document). For additional information kindly refer to the UNDP-GEF Project Document - Section II - Development Challenge.

- 2) The baseline scenario or any associated baseline projects.

NA. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex Q to the UNDP-GEF Project Document).

For additional information kindly refer to the UNDP-GEF Project Document: Section II - Development Challenge; Section III - Strategy & Table 1 - Partnerships.

- 3) The proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project.

Kindly refer to the UNDP-GEF Project Document: Section III - Strategy & Section IV: Results and Partnerships - Expected Results.

- 4) Incremental/additional costs reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and co-financing.

NA. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex Q to the UNDP-GEF Project Document).

For additional information on the contributions from co-financing, kindly refer to the UNDP-GEF Project Document: Section IX - Financial Planning and Management, in particular Table 4: "co-financing" and in specific the column: Planned Activities/Outputs, as well as Section A6 of the CEO endorsement request, in particular the sub-section on coordination with other national initiatives.

- 5) Global Environmental Benefits (GEFTF)

The Global Environmental Benefits (GEB) of the project will consist of the following:

- Mercury use in the ASGM sector reduced by 15 tonnes.

- 6) Innovativeness, sustainability and potential for scaling up.

NA. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex Q to the UNDP-GEF Project Document)

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

For additional information kindly refer to the UNDP-GEF Project Document: Section IV - Results and Partnerships; Subsection - Sustainability and Scaling up & Section V - Project Management; Subsection - Cost Efficiency and Effectiveness.

A.2. Child Project? If this is a child project under a program, describe how the components contribute to the overall program impact.

The Peru Integrated Sound Management of Mercury in Peru's Artisanal and Small-scale Gold Mining project is one of eight (8) country-level projects being implemented as part of the Global Opportunities for Long-term Development of the ASGM sector – GEF GOLD programme.

The GEF GOLD programme is a programmatic approach on ASGM involving three UN agencies (UNDP, UNEP, and UNIDO) and one NGO (Conservation International). The GEF GOLD programme has a global component on communications and knowledge management, which is being managed by UNEP and country-level projects in eight countries: Burkina Faso (UNIDO), Colombia (UNDP), Guyana (Conservation International), Indonesia (UNDP), Kenya (UNDP), Mongolia (UNEP/UNIDO), Peru (UNDP), and Philippines (UNEP/UNIDO).

The GEF GOLD programme's objective is to: Reduce the use of mercury in the ASGM sector in the participating countries through facilitating the access to finance to artisanal miners and mining communities for the introduction of low and non-mercury technologies and techniques and through the development of sustainable ASGM gold supply chains.

The GEF GOLD programme's main components have been listed below. For each of these components is listed how the Peru child project will contribute to the overall impact of the GEF GOLD programme.

GEF GOLD Component 1: Institutional strengthening, policies and regulations

GEF GOLD Programme Outcome 1: Participating Governments develop and implement conducting policies and regulations which enable and sustain positive change

Peru: In support of GEF GOLD Component 1, the expected outcome of the project is that National systems will have the capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector. This will be achieved by i) increasing the capacity of 4 government entities to improve their capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector and ii) the revision/development of 2 policies, regulations and standards to improve the enabling environment for ASGM and mercury phase-out in the ASGM sector.

GEF GOLD Component 2: Promotion of investment options and direct market access for artisanal miners and their communities

GEF GOLD Programme Outcome 2: Private sector and financial institutions support the development of the sector

Peru: In support of GEF GOLD Component 2, the expected outcome of the project is that A) loans for the purchase of mercury-free processing equipment/investments are accessible to legalized ASGM miners and cooperatives. This will be achieved by i) the establishment of 4 new/improved financial products/mechanisms (including women friendly financial products) for the ASGM sector; ii) US\$ 15 million (Total amount of funding) made available to the ASGM sector through existing/new financial mechanisms; and iii) US\$ 3 million (Total amount of funding) allocated to the ASGM sector through approved loans; and B) 12 ASGM miner groups (of which 20% of the miners are women) are capacitated to apply for loans for mercury-free processing equipment/investments, which will be achieved by i) Training 1,200 ASGM miners (of which 400 women and 800 men) in developing a loan/investment application (incl. undertaking technical and financial feasibility studies); ii) Developing 12 loan applications (with technical support of the project); and iii) the approval of 50% of loan applications (developed with technical support of the project).

GEF GOLD Component 3: Introduction of better and more efficient technologies and practices

GEF GOLD Programme Outcome 3: Miners use tools and technologies which do not emit mercury to the environment and which increase their productivity

Peru: In support of GEF GOLD Component 3, the expected outcome of the project is that 15 tonnes of mercury will be avoided through the introduction of BEP, BAT and socially and environmentally sound ASGM practices. This will be achieved by A) the introduction of better and more efficient technologies and practices in 12 mining communities which will result in 15 tonnes of mercury releases avoided and the production of 2,000 kg of gold without mercury; B) Supporting 1,200 miners (of which 20% of the miners are women) in their formalization processes leading to more sustainable income opportunities and safer working conditions; and C) Improving/establishing a Route to market for mercury-free gold and the sale of 700 kg of mercury-free gold to the formal market.

GEF GOLD Component 4: Knowledge Management, Communication and Outreach

GEF GOLD Programme Outcome 4: Knowledge generated by the programme is available on the UNEP Global Mercury Partnership dedicated website. Target-specific communication tools and media are used to raise awareness on the development potential of the sector of: Financial and private sector partners; Artisanal miners; Technical partners; General public.

Peru: In support of GEF GOLD Component 4, the expected outcome of the project is that A) the awareness of 19,000 people (5,000 females and 14,000 males) will be raised on the dangers of mercury and ways to reduce its use in ASGM and that B) Project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF GOLD Global Dissemination Platform for national and global dissemination, using report templates provided by the GEF GOLD global component where appropriate. This will be achieved by i) Maintaining and updating 1 GEF GOLD country project webpage; ii) Participating in 1 Global ASGM Forum, 1 Annual Programme Conference, and 12 monthly programme/project calls on a yearly basis; iii) Identifying opportunities for communication of project activity results at a global level on a quarterly basis in collaboration with the GEF GOLD global component; and iv) Providing, On a quarterly basis, information on project progress (using agreed metrics and templates provided by the GEF GOLD global component where appropriate) to the GEF GOLD global component.

A.3. Stakeholders. Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes /no)? and indigenous peoples (yes /no)?⁸

Please refer to:

1. Section IV: Results and Partnerships of the UNDP-GEF Project Document - Table 1: Partnerships

The project will work with a multitude of partners and initiatives to achieve the project's objective. In Table 1 (Partnerships), an overview is provided of the project's stakeholders and partner initiatives, what these stakeholders/initiatives are currently doing to address the development challenge, what the role of the partner/initiative will be in the project's implementation, as well as the assumptions and expected results that will be achieved by the project's partners that are critical for the achievement of the results of this project.

2. Section IV: Results and Partnerships of the UNDP-GEF Project Document - Section "Stakeholder Engagement Plan", as well as Annex F (Stakeholder Engagement Plan).

Prior to developing a Stakeholder Engagement Plan, the project undertook a simplified Stakeholder Analysis, based on which Table 5 (Identification of key stakeholders and their interests, importance and influences for the GEF GOLD) in Annex F project was prepared. The table summarizes the various stakeholder groups and individuals that would need to be engaged by the project, the interests of these stakeholders/individuals in the project itself, whether the project would

⁸ As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

have a positive effect on the interest of these stakeholders, how important these stakeholders are to the success of the project and what the influence of these stakeholders will be on the success of the project.

Following the preparation of the simplified Stakeholder Analysis, the project prepared a Simplified Stakeholder Engagement Plan, see Table 6 in Annex F (Simplified Stakeholder Engagement Plan). In preparing the simplified Stakeholder Engagement Plan, the project indicated why stakeholders are being engaged, how engagement will proceed, who will ensure engagement, when, and how engagement will be financed/supported.

3. Annex N to the UNDP-GEF Project Document contains a list of people consulted during the project's development.

A.4. Gender Equality and Women's Empowerment. Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes /no)?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes /no)?; and 3) what is the share of women and men direct beneficiaries (women X%, men X%)? ⁹

The main elements of the gender action plan, as related to the project's 4 components, have been summarized in the section "Gender Equality and Empowering Women" of Section IV of the UNDP-GEF Project Document.

The Gender Analysis and Gender Action Plan are too long to be incorporated in the CEO endorsement document or the UNDP-GEF Project Document and instead has been attached as Annex G to the Project Document. The gender analysis will be updated as part of the Mid-Term Review (MTR).

1) Gender Analysis: During the Project Preparation Phase of this project, a Gender Analysis (see Annex G of the UNDP-GEF Project Document) was conducted by a national gender expert. The gender analysis (centered on sex and gender variables), allowed for the identification of the different roles and tasks that men and women perform in daily life and in particular in the ASGM sector that put them at risk of exposure to mercury. The gender assessment also identified irregularities and power relations, inequities and inequalities and helped to recognize the causes of these inequalities.

Gender Action Plan: Subsequently, based on the outcomes of the Gender Analysis, a Gender Action Plan was formulated to help design project interventions (component/outcomes and activities) that would contribute towards women empowerment and to overcoming gender inequality. The Gender Action Plan can be found in Annex G of the UNDP-GEF Project Document.

In order to produce a Gender Action Plan and mainstream gender into the project document, the following activities were undertaken:

- Mapping of current government policies and commitments pertaining to environment and gender equality.
- A gender specific analysis of the programme's areas of intervention.
- An analysis of project activities and GEF requirements.
- Gender gaps, which could be influenced by the project, were identified.
- Activities that can reduce gender gaps were proposed.

2) Did the project incorporate a gender responsive project results framework, including preparation? The findings from the gender analysis and the project interventions proposed as part of the Gender Action Plan, have been integrated into the project's strategy and results framework.

⁹ Same as footnote 8 above.

3) What is the share of women and men direct beneficiaries (women X% and men X%)? The total number of direct project beneficiaries for which the risk of mercury exposure will be reduced is 47,097 (44% women and 56% men).

A.5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Please refer to the UNDP-GEF Project Document - Chapter IV: Section: Risks and Assumptions, Table 2. Risk Table. Table 2 summarizes all the risks identified that might prevent the project objectives from being achieved, as well as presents the proposed measures that address these risks at the time of project implementation.

A.6. Institutional Arrangement and Coordination. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

Institutional Arrangements: The institutional arrangements agreed upon with the Government of Peru and in particular the Ministry of Environment – MINAM (Implementing Partner for this project), have been described in detail in the UNDP-GEF Project Document - Chapter VIII: Governance and Management Arrangements.

Coordination: At national level the project expects to coordinate with the following relevant GEF-financed and other initiatives:

- *Embassy of Canada in Peru and Artisanal Gold Council (AGC):* The project “Mejorando la minería artesanal de oro en el Perú (MEJORO)” and the project “Mejora de la gestión ambiental de las actividades minero energéticas en el Perú (MEGAM)” which focus on the regions of Arequipa, Cusco, Apurímac and Ayacucho supporting the improvement and sustainable development of the artisanal and small-scale gold mining (ASGM) sector (higher level of organization, formality and diversity in order to create enhanced livelihoods and improved health and environments for those involved in the primary and secondary economies of the ASGM sector) (3,118,026 US\$).
- *Swiss State Secretariat for Economic Affairs - SECO – Better Gold Initiative BGI:* Project that seeks to create and improve value chains ranging from gold extraction to gold refining, oriented toward producers, formalization, assistance and capacity building in formalization and technical assistance (1,798,430 US\$).
- *Alliance for Responsible Mining (ARM):* “Strengthening incentives and capacities for improved environmental and social performance in ASM in Colombia, Peru and Bolivia” (2,913,854).
- *Alliance for Responsible Mining (ARM):* “The responsible ASM laboratories: from dialogue to action” (Colombia and Peru) (242,566 US\$).
- *CIRDI:* “Education and Research for Integrated Water Resources Management in Peru” (487,166 US\$).
- *GEF/UNEP* (Argentina, Cuba, Ecuador, Peru, Nicaragua and Uruguay) (GEF ID #5494): “Development of Mercury Risk Management Approaches in Latin America” (Minamata Initial Assessment).
- *GEF/UNIDO* (Peru and Ecuador): “Implementing Integrated Measures for Minimizing Mercury Releases from Artisanal Gold Mining (999,900 US\$)”.
- *National Resources Defense Council (NRDC)* (Peru, Ecuador, Brazil, Colombia): Funding from the US Department of State Regional Environmental Office for South America for a regional workshop on ASGM and the Minamata Convention to help participating countries find common grounds for cooperation and speed up the ratification process through preparation of National Action Plans (NAPs).
- *UNDP, with funding from the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the German Government,* is working on a project to reduce vulnerabilities to climate change for indigenous communities in the Peruvian Amazon, increasing their resistance through the incorporation of Community-Based Adaptation (CBA) systems and sustainable management of Ecosystems (EBA) in two Communal

Reservations: The Communal Reserve Amarakaeri, Mother of God and the Tuntanain Communal Reserve in Amazonas, as well as the beneficiary native communities of these two protected areas.

- *GEF/UNDP* (Peru and Ecuador): "Integrated Water Resources Management in the Puyango-Tumbes, Catamayo-Chira and Zarumilla Transboundary Aquifers and River Basins" (working with The National Water Secretariat of Ecuador - SENAGUA, and The National Water Authority of Peru - ANA). The project aims to strengthen institutional, policy, legal and scientific-technical capacities to implement Integrated Transboundary Water Resources Management in Puyango-Tumbes, Catamayo- Chira and Zarumilla River Basins and Aquifers integrating climate variability concerns.
- *USAID/ICAA* (Peru): Consorcio Madre de Dios – in partnership with the University of Florida to strengthen scientific and analytical capacity through the implementation of pilot projects on natural regeneration, ecological reforestation, and GIS.
- *USAID/ACERS* (Amazon Center for Environmental Research and Sustainability) (Peru): public-private partnership to support the establishment of a research hub to increase scientific capacity, promote entrepreneurship opportunities, and promote awareness around the impacts of alluvial gold mining in Madre de Dios.
- *World Wildlife Fund (WWF)/Per SZF (Peru)*: "Green Mining & Natural Resources Management in the Tambopata National Reserve". The project aims to respond to increasing alluvial gold mining activities in Madre de Dios, which have become one of the major threats to ecosystem viability, ecosystem processes and services, wildlife species, human health, among others.
- *Pure Earth (in partnership with the local Center for Research on Environmental Health)*: Implementing activities in Puno and MDD working directly with communities to develop two remediation plans of which one will be implemented.

The project expects to build on and/or collaborate with the following regional and international initiatives and projects:

International Level:

- GEF GOLD programme (UN Environment implemented global component on communications and knowledge management and country-level projects in Burkina Faso (UNIDO), Colombia (UNDP), Guyana (Conservation International), Indonesia (UNDP), Kenya (UNDP), Mongolia (UNEP/UNIDO), Peru (UNDP), and the Philippines (UNEP/UNIDO)).
- GEF/UNDP/UNIDO: Global Mercury Project "Removal of Barriers to the Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies" (2002 – 2012, GEF ID:1223).
- GEF/UNDP (Ecuador) "National Program for the Environmental Sound Management and Live Cycle Management of Chemical Substances" (2016-2020, GEF ID:9023).
- GEF/UNDP (Honduras) "Environmental Sound Management of Mercury and Mercury Containing Products and their Wastes in Artisanal Small-scale Gold Mining and Healthcare" (2015-2017, GEF ID:5484).
- GEF/UNIDO/Blacksmith Institute (Burkina Faso, Mali and Senegal) "Improve the Health and Environment of Artisanal and Small-Scale Gold mining (ASGM) Communities by reducing Mercury Emissions and Promoting Sound Chemical Management" (2012-2015, GEF ID:4569).

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

Mercury is a potent and persistent toxin which can lead to acute neurological and renal disorders in adults and severe mental and physical dysfunction in children. Mercury can also accumulate in the food chain leading to worldwide ecosystem impacts and human exposure.

The impact of mercury on human health results in human suffering (including family members of the sick); healthcare costs that have to be borne by the sick individual (and his/her family) and/or the government's healthcare system; lost

productivity/workdays (sick leave taken by those that are unable to work, either because they are sick/disabled themselves or because they are taking care of sick loved ones), etc.

Besides the fact that mercury accumulates in the food chain leading to ecosystem impacts worldwide, rudimentary practices applied in ASGM also bring about other environmental challenges, such as deforestation, environmental degradation and the unregulated discharge of mining tailings into surface streams and water bodies impacting downstream livelihoods and the health of populations relying on these water sources.

Gold mining and processing are significant sources of income for many Peruvians. Peru is the largest producer of gold in Latin America and the sixth largest in the world¹⁰. Total mercury releases to the environment from ASGM in Peru were estimated to be 70 tonnes in 2010¹¹, and this has likely risen with increasing gold production and miner population. According to the Ministry of Energy and Mines, as many as 200,000¹² Artisanal and Small-scale Gold miners produced 38.7 tonnes of gold, or roughly one quarter of Peru's total gold exports in 2016¹³. This gold transfers wealth to rural areas providing immediate livelihoods for the poorest and most disenfranchised, in areas like the Andean Regions (e.g. Sierra Rural) where approximately 14,9% (2016¹⁴) of the population lives in extreme poverty. Depending on the gold price and new prospects, migratory waves of potential ASGM miners are the result.

Most of Peru's ASGM are informal. The Government of Peru has been trying to formalize the ASGM sector for almost two decades, under three different regulatory frameworks. To date, nationwide 55,737 mining activities have been registered with REINFO, meaning that those miners are currently in the process of formalization. Between 2012 and 2017, 1,124 ASM miners were successfully formalized (through the extraordinary process)¹⁵.

The continued use of mercury, the informality of the sector and the use of rudimentary and unsafe mining and ore processing practices, is preventing many small-scale miners from obtaining better gold production yields and a good price for their gold.

The objective of the project is to reduce/eliminate mercury releases from the Peruvian Artisanal and Small-scale Gold Mining (ASGM) sector. The project will support 12 ASGM communities to reduce mercury use by at least 5 metric tonnes/year starting in year three (3) of the project, which over the life-span of the project will result in a mercury release reduction of at least 15 tonnes, as such the project will contribute directly to Global Environmental Benefits (GEBs).

In addition to direct GEBs, the project also has many socio-economic benefits, some of which include:

- The risk of mercury exposure will be reduced for 47,097 direct project beneficiaries (44% females and 56% males), by reducing mercury releases in 12 ASGM communities.
- At least 1,200 ASGM miners (of which 400 women miners and 800 men miners) will be supported in their formalization processes leading to more sustainable income opportunities and safer working conditions.
- 1,200 miners will be trained at 4 small mobile plants and 1 mercury-free ore processing training plant in hands-on mineral processing experiments with their own ore (leading to improved gold recovery yields, better incomes, safer mining practices, etc.).
- Through the creation of 4 financial products/mechanisms for the ASGM sector, loans for the purchase of mercury-free processing equipment/investments will be made accessible to legalized ASGM miners and cooperatives (leading to improved gold recovery yields, better incomes, safer mining practices, etc.).
- 12 miner groups will be supported in applying for loans for mercury-free processing equipment/investments.
- At least 6 mining groups will be supported in establishing their own mercury-free processing plant with technical assistance provided by the project, but funding allocated through one of the 4 financing mechanisms.

¹⁰ Environmental Performance Evaluation Peru 2016 OCDE

¹¹ mercurywatch.org, Artisanal Gold Council, accessed May 2014 (no new data available at present)

¹² MINEM: 2017: exhibition held in MINEM in LIMA June 2017

¹³ http://www.minem.gob.pe/_estadistica.php?idSector=1&idEstadistica=11299

Anuario Minero 2016, MINEM 2017.

¹⁴ Perú Perfil de la Pobreza por Dominios Geográficos (2007-2016) - INEI

¹⁵ Dirección General de Formalización Minera (DGFM), personal communication to PPG team, August 2017.

- The creation of an ASGM service sector will be supporting by trained them in providing better and needed services to mining groups to support them in their formalization processes (consulting companies - obtaining legal subsurface rights and operating permits, geologists - conducting surveys, local environmental specialists - undertaking environmental impact assessments).
- A route to market (through partnerships with buyers/refiners) for mercury-free gold will be established to sell mercury-free gold produced by miners supported by the project, resulting in them obtaining better prices for their gold.

In summary, the socio-economic benefits to be delivered by the project at national and local level will be significant.

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

As part of the Peru GEF GOLD Project Component 4: Monitoring and evaluation, awareness raising, capturing and disseminating experiences, lessons learned and best practices, Outcome Indicator 4.3 will ensure that project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF GOLD Global Dissemination Platform for national and global dissemination, using report templates provided by the GEF GOLD global component where appropriate.

The Peru child project is one of the eight (8) country-level projects being implemented as part of the Global Opportunities for Long-term Development of the ASGM sector – GEF GOLD programme. The GEF GOLD programme has a global component on communications and knowledge management, which is being managed by UNEP. The objective of the global component is to unify and coordinate efforts among all the GEF GOLD child projects and disseminate knowledge generated by the child projects to a wider ASGM audience to help Parties to the Minamata Convention meet their obligations to reduce and where feasible eliminate mercury use in ASGM.

The Peru GEF GOLD project will maintain and regularly update (at least once every quarter) the GEF GOLD country project website dedicated to the Peru GEF GOLD project. The website will be designed by the UNEP managed GEF GOLD global component, but its maintenance and updating as well as posting of news items and project progress, will be the responsibility of the project team. The country project website will support the dissemination of project related information at national, regional and global levels.

On a quarterly basis, the project will identify opportunities for the communication of project activities – in collaboration with the UNEP managed GEF GOLD global component. This communication exercise will present a good opportunity to update the website and at the same time identify topics/activities that could be reported on by the GEF GOLD global component.

The Peru GEF GOLD project will also participate in a yearly face-to-face Programme Conference, Global ASGM Forums and monthly programme/project calls with all the eight (8) GEF GOLD child country projects. This will encourage the exchange of experiences, lessons-learned and best practices among the 8 project countries and encourage south-south cooperation.

Finally, the Peru child project will ensure that project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF GOLD Global Dissemination Platform on a quarterly basis for national and global dissemination, using report templates provided by the GEF GOLD global component (where appropriate). The project's gender expert will support the project in identifying gender specific results and how to present these in GEF GOLD reports and publications that summarize results, lessons-learned, best practices and experiences.

The objective of the UNEP implemented GEF GOLD global child project is to unify and coordinate efforts among all the GEF GOLD child projects and disseminate knowledge generated to a wider ASGM audience to help Parties to the Minamata Convention meet their obligations to reduce and where feasible eliminate mercury use in ASGM.

Component 2 of the UNEP global child project will provide access to information and opportunities for exchange among Parties and other ASGM Practitioners by informing the GEF GOLD projects as well as the wider ASGM community about experiences in formalization, access to finance and market and technology transfer. Under component 2, the global project will create mechanisms by which ASGM communities and governments can increasingly share, access and use information, technical materials, guidance, and lessons learned to assist the development and implementation of National Action Plans.

To support the implementation of Component 2 of the UNEP global child project, each individual country child project (including the Peru GEF GOLD project), will report its results to the global child project for analysis and reporting purposes.

Component 3 of the UNEP global child project will educate the general public about ASGM as a global issue. This component will use targeted communication to garner support among the public, gold consumers, governments, and the financial sector, for sector reform, increased access to finance and improved markets for ASGM gold. Component 3 will create outreach materials that are highly accessible for both specialized and general audiences, and deploy these assets through a carefully planned media/PR strategy. This component will also coordinate a specific PR campaign in conjunction with a downstream user or users of gold, specifically jewelers, to increase awareness and demand for responsible gold.

The Peru child project will ensure that project results, experiences, lessons-learned and best practices are captured, published, and taken up by the GEF GOLD Global Dissemination Platform on a quarterly basis for national and global dissemination, using report templates provided by the GEF GOLD global component where appropriate.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 *Consistency with National Priorities.* Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.:

The Government of Peru is a strong advocate for the globally, legally-binding instrument of the Minamata Convention on Mercury. The country signed the Convention on 10/10/2013 and ratified it on 01/21/2016.

For almost 2 decades the Government of Peru has been trying to formalize the ASGM sector. To date, nationwide 55,737 mining activities have been registered with REINFO, meaning that those miners are currently in the process of formalization. Between 2012 and 2017, 1,124 ASM miners were successfully formalized (through the extraordinary process)¹⁶. In addition to formalization efforts there is a multitude of ASGM interventions ongoing to support formalization, greener mining practices, phase-out of mercury, etc (See Section A6.). Phasing out the use of mercury in ASGM is a national priority and as such the Peru GEF GOLD project is entirely in line with the priorities of the Government of Peru.

The Government of Peru is developing its Minamata Initial Assessment (MIA) with GEF/UNP support and its National Action Plan (NAP) with GEF/UNIDO support. Although both these processes have not yet been finalized, it is expected, that because of the fact that Peru is the largest producer of gold in Latin America (the sixth largest in the world¹⁷) with total mercury releases to the environment from ASGM in Peru estimated to be around 70 tonnes in 2010¹⁸, that the Peru GEF Project and its proposed interventions will be entirely in line with the priorities for action that will be taken up in the MIA and NAP.

¹⁶ Dirección General de Formalización Minera (DGFM), personal communication to PPG team, August 2017.

¹⁷ Environmental Performance Evaluation Peru 2016 OCDE

¹⁸ mercurywatch.org, Artisanal Gold Council, accessed May 2014 (no new data available at present)

Recognizing the importance of the NAP process in setting national priorities for mercury reduction under the Convention, the Peru GEF GOLD project will work with UNIDO to participate as a stakeholder in the NAP development process. During this process, the Peru GEF GOLD project can help identify potential NAP strategies, as well as inform reasonable objectives and targets, since the activities of project will be oriented to assist countries to meet such targets. In turn, the project may also, where possible, make ongoing refinements to the project implementation, to complement the priorities articulated during the NAP stakeholder process.

C. DESCRIBE THE BUDGETED M &E PLAN:

Kindly refer to the UNDP-GEF Project Document - Chapter VII: Monitoring & Evaluation (M&E) Plan, including Table 3. Mandatory GEF M&E Requirements and M&E Budget. This section and Table 3 describe in full the budgetted M&E Plan.

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹⁹ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Ms. Adriana Dinu Executive Coordinator UNDP - Global Environmental Finance			Mr. Kasper Koefoed Hansen	+507 302 4573	kasper.koefoed@undp.org

¹⁹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
GEF6 CEO Endorsement /Approval Template-August2016

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Kindly refer to Section VI - Project Results Framework of the UNDP-GEF Project Document

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Kindly refer to Annex L of the UNDP-GEF Project Document

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS²⁰

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

PPG Grant Approved at PIF: 130,000 US\$			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Comp. A: Technical Studies and Assessments	55,000.00	55,000.00	
Comp. B: Governance and Management Arrangements, Monitoring and Evaluation and Sustainability Strategy	15,000.00	13,451.00	1,549.00
Comp. C: Financial Planning and Co-Financing Investments	30,000.00	27,915.00	2,085.00
Comp. D: Inception and Validation workshops	15,000.00	5,930.00	9,070.00
Comp. E: Completion of final documentation	15,000.00	15,000.00	
Total	130,000.00	117,296.00	12,704.00

²⁰ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)

NA