



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9710		
Country/Region:	Peru		
Project Title:	GEF GOLD Peru - Integrated Sound Management of Mercury in Peru's Artisanal and Small-scale Gold Mining (ASGM)		
GEF Agency:	UNDP	GEF Agency Project ID:	5874 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Chemicals and Waste
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CW-2 Program 4;		
Anticipated Financing PPG:	\$130,000	Project Grant:	\$3,990,000
Co-financing:	\$35,233,512	Total Project Cost:	\$39,353,512
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Anil Sookdeo	Agency Contact Person:	Mr. Kasper Koefoed

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹		
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?		
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability,		

¹ For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

² Need not apply to LDCF/SCCF projects.

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response	
	market transformation, scaling, and innovation?			
	4. Is the project designed with sound incremental reasoning?			
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?			
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?			
	Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
		<ul style="list-style-type: none"> • The STAR allocation? 		
<ul style="list-style-type: none"> • The focal area allocation? 				
<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 				
<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 				
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	PPG clearance is recommended by the program manager.		
Review Date	Review	December 20, 2016		
	Additional Review (as necessary)			
	Additional Review (as necessary)			

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<p>Project Design and Financing</p>	<p>1. If there are any changes from that presented in the PIF, have justifications been provided?</p>	<p>Yes.</p>	
	<p>2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?</p>	<p>Please add reference to the global GEF GOLD program in the title of the child project so it is easily referenced.</p> <p>The gold generated through component 3 should meet the GEF GOLD standards developed through the global project. Please describe how you will ensure these standards are met.</p> <p>The project includes remediation activities. The GEF GOLD program is not intended to be a remediation project, rather to address the sources of mercury. For this project it is best to use GEF funding to reduce and eliminate use of mercury.</p> <p>In the section on developing enabling policy, there is reference to developing formal effluent standards, doing monitoring of releases, etc, around these sites. This kind of regulatory framework is not practical for small scale mining, both from the miner point of view and from the</p>	<p>Agency response found in annexes to the resubmission.</p>

CEO endorsement Review

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		<p>govt capacity to enforce. There should be a focus on developing more relevant types of policies that fit ASGM better.</p> <p>Missing from the discussion of policy is the role of the geological services. This is extremely important because a lot of the environmental damage, violations of permits (eg digging beyond your concession) is because the miners just dig randomly looking for gold instead of focusing on areas with geological promise. This is an important dimension of supporting a viable licensing system and should be included as something the project could help support. The issue of land tenure is glossed over, since it is a key driver of formalization, what will the project do to help this issue?</p> <p>In the technology section, there is an emphasis on using locally manufactured materials. Supporting locally produced materials is always a good goal, however realistically the type of advanced mining equipment needed for the project will likely not be locally manufactured and will need to be imported. Perhaps a compromise could be to use imported equipment in the project but figure out a way to help promote the</p>	

CEO endorsement Review

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		<p>development of local manufacturing at the same time.</p> <p>Regarding the education of bankers in order to persuade them to give financing to ASGM – one important dimension of this is the regulations that banks need to comply with, especially banks that take customer deposits. The regulations for such entities are typically very strict. It could be helpful to see to what extent the regulatory environment is part of the reason that the banks are unwilling to take risk, and how to overcome that.</p> <p>In terms of selection of sites for demonstration projects can you please clarify selection criteria. A requirement of Minamata is elimination of worst practices, including whole ore amalgamation which should be prioritized where possible, this is the way for the project to maximize GEBs of mercury reductions.</p> <p>Once financial models are set up and the GEF grant funding and UNDP oversight time frame is over, please indicate what will happen. Will there be a mechanism put in place to continue any lending and support to</p>	

CEO endorsement Review

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		<p>miners?</p> <p>Component on formalization (1.2) does not expressly mention the obligations of the convention in terms of banned practices, will these be met?</p> <p>The use of mobile plants was trialed in the Global Mercury Project and was not very sustainable (none are still functioning). Particular attention should be put to study the lessons learnt of this UNDP-implemented GEF3 project. Mobile plants require a strong sustainability with the host institution.</p> <p>Description of the website does not expressly mention the template developed by the Global GOLD Project, will it be linked?</p> <p>Component 3 talks about participating in 1 Global Forum when the GOLD Program will organize 3, please correct this.</p> <p>March 26, 2018 (AS) - The comments have all been satisfactorily addressed by the agency.</p>	

CEO endorsement Review

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	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	Yes.	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)	Yes, risks are considered.	
	5. Is co-financing confirmed and evidence provided?	Yes is confirmed and has increased significantly since the PIF.	
	6. Are relevant tracking tools completed?	Yes, tracking tools have been provided.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	Yes, the project will coordinate with other ASGM related activities in the country as well as the global GOLD program.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	Yes.	
	10. Does the project have descriptions of a knowledge management plan?	Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the		

CEO endorsement Review

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	PIF ³ stage from:		
	<ul style="list-style-type: none"> • GEFSEC 		
	<ul style="list-style-type: none"> • STAP 	<p>Please describe how STAP comments have been accounted for.</p> <p>March 26, 2018 (AS) - STAP comments have been addressed - comment cleared.</p>	
	<ul style="list-style-type: none"> • GEF Council 	<p>Please add a section describing how STAP comments have been accounted for.</p> <p>March 26, 2018 (AS) - Council comments have been addressed - Comment cleared.</p>	
	<ul style="list-style-type: none"> • Convention Secretariat 		NA
Recommendation	12. Is CEO endorsement recommended?	<p>Not at this time, several issues need to be addressed.</p> <p>March 26, 2018 (AS) - The project is being recommended for CEO endorsement.</p>	
Review Date	Review	January 22, 2018	
	Additional Review (as necessary)	March 26, 2018	
	Additional Review (as necessary)		

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.