ANNEX 5: PROJECT DOCUMENT (BUDGET MORE THAN € 200,000)

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project of Burkina Faso, Mali, Senegal (*country*)[1]

Project number:	
Project title:	Improve the Health and Environment of Artisanal and Small Scale Gold Mining (ASGM) Communities by Reducing Mercury Emissions and Promoting Sound Chemical Management
Relationship to integrated programme	
Thematic area code	EAE
Starting date:	
Duration:	36 Months
Project site:	Global (Burkina Faso, Mali, and Senegal)
Government Co-ordinating agency:	
Counterpart:	FFEM (FGEF), National governments of Burkina Faso, Mali, and Senegal
Executing agency/ cooperating agency:	Blacksmith Institute
Project Inputs:	
- UNIDO inputs:	$905,000
- Support costs (....%):	$85,000
- Counterpart inputs:	$2,450,000
- Grand Total:	$3,440,000

Brief description:

This project will support the Global Mercury Partnership by strengthening local and national capacity to effectively manage and reduce mercury use, emissions and exposure in artisanal gold mining communities in Senegal, Mali and Burkina Faso. Specifically, it will assist the three governments to develop national strategic action plans for sound mercury management in ASGM, and build the capacity of local and national stakeholders to implement successful mercury reduction/elimination projects.

The proposed countries for intervention for this project are Senegal, Mali and Burkina Faso. Each country has expressed interest in addressing ASGM and mercury use. This interest was manifested in the representation of all three governments at the UNIDO Global Mercury Partnerships Sub-Regional Workshops on gold mining in Bamako, Mali in December 2009. In addition, both Burkina Faso and Mali are members of UNEP's Global Mercury Partnership, and all three countries are parties to international treaties, agreements and conventions such as the Basel Convention, SAICM, Stockholm Convention and others. In 2010, UNIDO provided support for the development of a national strategic plan regarding ASGM in the three countries.

Currently, in Senegal and Mali, laws and codes related to mining generally do not specifically address ASGM. Instead, they focus on industrial mining, and encourage more foreign direct investment. In Senegal, revisions to the Mining Code law n. 2003-36 will seek to ensure that local communities

[1] For regional, interregional and global projects, indicate the participating countries

benefit from gold mining, and that they can engage in small-scale exploitation. The Government of Senegal has expressed specific interest to address mercury use and emissions in ASGM activities. The national strategic plan for Senegal was developed in collaboration with the Ministry of Environment, Ministry of Mines, UNIDO, Blacksmith Institute and other stakeholders. The plan has set out a series of actions to be implemented by 2015, including the assessment of health impacts of mercury, strengthen national legislation regarding mercury, and increase productivity and income of miners by 50%.

The Government of Mali intends to introduce new mining code in the near future to encourage more investment in mining, but currently has no laws directly addressing ASGM. It does have, however, a set of legal instruments related to chemical substances and wastes including several laws and regulations (e.g. Act No. 01-020 AN/RM 2001, Decree 07-135/P-RM of 2007 among others). Mali is implementing the 1998 National Policy of Environmental Protection and the National Sanitation Policy of 2007, which deal with the environmentally sound management of chemicals and wastes. In addition, the government of Mali is currently engaged with UNIDO in a SAICM project to assess the situation of mercury management practices in ASGM and identify needs and priorities in the sector.

In Burkina Faso, small-scale mining is regulated by Mining Code of 08 May 2003, which is implemented via Decree No. 2005-047 / PRES / PM / STM 1 February 2005. The Decree also manages provision of mining titles and permits for artisanal, small-scale and industrial mining. Burkina Faso benefited from a UNEP assistance aiming at identifying issues relating to mercury management in the country. This contributed to raising the awareness of the Government on the scale of the ASGM problems in the country and the results of this projects prompted the Government to participate to the UNIDO-led Bamako regional meeting and request UNIDO's assistance specifically for this sector.

Despite existing political will, the governments of Burkina Faso, Mali and Senegal do not have the resources or the capacity to address this problem effectively, nor do they fully understand the scope of the problem in their countries. More information is needed to better understand the extent of ASGM, the severity of mercury contamination, and how many people are affected. Sites must be prioritized for intervention. Furthermore, mercury emissions continue to rise in the region due to the large scope of ASGM activity. The number of new gold mining locations and processing shops continue to increase. Implementation of the technologies piloted in Senegal, as well as technologies piloted successfully in other countries, such as Ghana, Peru and Indonesia need to be scaled up and replicated across the region. Local and national governments need to be able to address these issues in a coherent, strategic manner, with action plans that outline the scope of the issue and define strategic next steps and an implementation schedule.

This project will implement a regional program that will enable national and local stakeholders in the three countries to promote environmentally sound management of mercury in ASGM that minimize the significant adverse effects on human health and the environment. Specifically, the project will strengthen national and local capacity in the three countries to effectively manage and reduce mercury use, emissions and exposure in artisanal gold mining communities while promoting cleaner production of gold.

Approved:

	Signature:	**Date:**	**Name and title:**
On behalf of			
……..:	_____	_____	_____
On behalf of			
UNIDO:	_____	_____	_____

A. CONTEXT

ASGM is one of the most significant sources of mercury release into the environment in the developing world, and, according to the artisanal gold council, accounts for about 15% of the world's annual gold production. Mercury is often used in ASGM to help separate gold from sediments using rudimentary processing methods. Workers combine mercury with gold-laden silt to form an amalgam, which is heated, often in or near homes, to evaporate the mercury and leave gold. The mercury is released into the air, where it is directly inhaled by workers and their families. It is particularly threatening to children, pregnant women, and women of childbearing age. The emissions from ASGM can also travel long distances around the globe, contributing to global mercury pollution and contaminating the world's fisheries. This is because under certain conditions in sediments, bacteria can transform elemental mercury into methylmercury, a far more toxic form which bioaccumulates up the food chain. Methylmercury strongly bio-accumulates in the fatty tissues of fish, a major high quality protein source for poor communities, and many people around the world. Mercury can cause permanent damage to the brain, kidneys and the development of foetuses and cause miscarriages, developmental problems in children, psychotic reactions, respiratory failure, cardiovascular disease, neurological damage and death.

In its final report from the GEF-financed Global Mercury Project, UNIDO estimates that nearly 100% of all mercury used in ASGM is released into the environment. Such practices release at least 1,000 tonnes of mercury per year, and account for 30% of total annual anthropogenic mercury emissions. This has been growing over the last decade along with the rise in price of gold. In the same report, UNIDO estimates that of the 12-15 million people working in ASGM, around 4.5 million are women and 600,000 are children. In addition, children who are not directly involved in mining activities but who live in ASGM communities are also at risk of exposure. They often accompany their mothers who are working. Studies have found that in some localities, the majority of female miners work in the amalgam-processing phase, where they, and thus their children, are most at risk for toxic exposure. Partners of UNIDO such as the Human Rights Watch are particularly addressing the aspects of child involvement in the mining communities and their involvement will be sought to design a solution to the issue.

ASGM is particularly common in West Africa, especially Francophone Africa, where it has been traditional livelihood. However, with the rise in the value of gold, ASGM has become even more widespread. Most artisanal gold miners are from socially and economically marginalized communities, and turn to mining to escape extreme poverty and unemployment.

In **Burkina Faso**, gold deposits are present throughout the country. Official data estimates 300,000 people are actively involved in the gold mining sector with an annual production of 500 to 600 kg of gold. National experts agree that this amount represents at best only 25% of real output. Mercury is not officially approved for artisanal mining. It is reserved for larger operations. As a result, little information is available on the smaller and informal operations. However, it is recognized that many sites use as mercury and cyanide. Many miners are organized in associations such as the National Corporation of Small-scale Miners (CONAPEM) and the Mining Association of Women of Burkina (AFEMIB). In the past few years, UNEP implemented a project aiming at assessing the mercury issue in Burkina Faso. The result of this assessment was that ASGM represent one of the major issues in the country.

Mali is currently the third largest producer of gold in the continent, and the fourteenth largest in the world. An estimated 200,000 people are employed in artisanal gold mining, produce four tons of gold annually. Centuries of gold mining in Mali has resulted in a network of gold shops, mostly located in Bamako, where ASGM gold is refined into bullion. As a result, Bamako has become a major hub for gold purification, and a substantial amount of gold produced in neighbouring countries is also purified in Bamako. It is likely that Malian gold production figures reflect this fact. Because the gold produced by ASGM still contains a large amount of mercury (up to 20%), gold shops is an important mercury emission point source in urban centres, which underscores the public health problem of burning amalgam. Gold mining in Mali takes place mainly in three regions: Kayes, Koulikoro and Sikasso. Kayes, located in western Mali, bordering Senegal and Mauritania, features famous industrial mines of Sadiola, Yatela, Tabakoto, Loulo, and Kodieran, along with small scale mining in Kenieba. Koulikoro, located near Bamako, features semi-industrial mining in Kangaba, but small scale mining takes place in Kokoyon and Dabala, as well as along the Niger River. Sikasso, located on the border with Burkina Faso and Cote d'Ivoire, has an industrial mine at Syama, and small-scale mining in Bougouni, Yanfolila, and Matiogo Kadiolo.

In **Senegal**, gold mining is concentrated in Tambacounda, the eastern part of the country bordering Mali that is home to one of the largest gold deposits in West Africa, the Sabodala Deposit. The region employs approximately 50,000 miners. Currently, annual production is at 2.5 tons per years and is expected to increase to 4 tons per year. Although sale of mercury is illegal, it is still accessible to

miners, and at a relatively cheap price (100FCFA per gram). From 2008-2010, the US Environmental Protection Agency provided support to the Blacksmith Institute, a nongovernmental organization and partner of UNIDO, to conduct a mercury reduction project. The project educated miners in 11 villages from Kedougou Prefecture about the health risks of mercury, especially effects on children and pregnant women, and trained miners on low-cost and low mercury technologies. The introduced technologies were successful in reducing mercury emissions and in increasing miners' productivity and economic return. Affected communities embraced the technologies introduced by the project. Significant potential exists for replication, as the heath and economic benefits of the technologies provide considerable incentives. In fact, a model of retort designed by local project partners in Senegal has been found in use in Mali, Burkina Faso and Guinea.

Awareness regarding the environmental and health problems of mercury has been considerably raised throughout Senegal as a direct result of this project. With government support, these risks have been broadcast on public radio in various indigenous languages. However, Senegal still lacks general background information about ASGM such as number of active ASGM sites, risk assessments, and baseline emissions. As indicated by the national strategic plan for ASGM, the government has expressed interest to determine the extent of mercury contamination in the country and to conduct an industry study. Results from that study would enable policy makers to make effective decisions about artisanal gold mining.

Between 2002 and 2007, UNIDO executed for UNDP a GEF-funded Global Mercury Project. This was the first initiative of this scale trying to address the problems of mercury use in ASGM globally. The project was successful in raising awareness, locally and globally, introducing cleaner and more efficient processing technologies to the 10 project sites and assisting participating government in amending regulations to better address the sector at the policy level. Overall, the project managed to successfully reduce mercury consumption in the project sites but also revealed the extent of the issue. It also contributed to make UNIDO the leading agency in this sector.

In 2009, to compensate the fact that Francophone African countries, in spite of being important artisanal gold producers, had not benefited from international assistance in the sector, UNIDO organised a workshop in Bamako with representatives from Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger and Senegal. The meeting brought together representatives from the ministries in charge of the environment, mining and NGOs and UNIDO experts presented the problems facing the sector and the various solutions available. Discussions during the workshop led to the realisation that the issues in the sub-region are very similar from country to country and a regional approach would be very useful. Following the workshop, draft action plans have been developed in all countries.

B. REASONS FOR UNIDO ASSISTANCE

UNIDO's thematic priorities center on poverty reduction through trade capacity building and environmental and energy management. The organization is committed to introducing technological solutions in an integrated manner to issues that impact human health and the environment. UNIDO has experience in working with the artisanal gold mining sector in Africa, specifically in Ghana, Sudan, Tanzania and Zimbabwe. As above-mentioned, UNIDO executed the GEF-financed Global Mercury project with half of the countries being in Africa. As the co-lead of the UNEP Global Mercury Partnership for ASGM, UNIDO will mobilize its partners to ensure collaborate in this initiative. UNIDO has field offices in all three countries, which facilitates interaction with the national counterparts on both a national and local level. Through this experience a strong rapport has been established with both national and local stakeholders. This will in turn facilitate the on the ground implementation of the proposed project. Moreover, UNIDO currently runs a large programme in the UEMOA region and integration will be sought in order for both programs to benefit from one another.

C. THE PROJECT

C.1. Objective of the project

Reduce the impacts of mercury on human health and the environment of artisanal gold mining communities in Burkina Faso, Mali and Senegal by promoting sound chemical management and strengthening local and national capacity to effectively reduce mercury use, emissions and exposure. This will also contribute to reducing global use and emissions from the ASGM sector, currently the world's largest demand for mercury

C.2. The UNIDO approach

This project will implement a regional program that will enable national and local stakeholders in the three countries to promote environmentally sound management of mercury in ASGM that minimize the significant adverse effects on human health and the environment. Specifically, the project will strengthen national and local capacity in the three countries to effectively manage and reduce mercury use, emissions and exposure in artisanal gold mining communities while promoting cleaner production of gold by:

a. Providing technical expertise and support for identifying toxic hotspots associated with ASGM and prioritizing for intervention;

b. Developing and implementing national strategic action plans for sound management of mercury in ASGM in all three countries;

c. Developing comprehensive health education and low-mercury/mercury free technology training programs;

d. Implementing pilot mercury reduction/elimination projects at least one site per country, with measurable reduction goal of 50% in mercury use, emissions, and exposure;

e. Exploring potential for fair trade certification, as an incentive mechanism for miners to reduce mercury use, via the tools and processes set up by Alliance for Responsible Mining (ARM); and

f. Documenting lessons learned from the pilot projects, sharing them regionally, and using them to inform national policy and intergovernmental negotiations on the mercury treaty.

C.3 RBM code and thematic area code[2]

RBM code: DE.12

Thematic Area Code: EAE

C.4. Expected outcomes

1. National Strategy Action Plans are utilized for developing policy framework in Burkina Faso, Mali, and Senegal

2. Pilot Projects are replicable and knowledge gained from health and technology trainings can be adopted and behaviour changed

3. Capacity to manage and monitor mercury Increased through fair trade certification and new regulations

C.5. Outputs and activities

The logframe of the project is included in the GEF CEO endorsement document attached. Specifically, the project will implement the following project components and activities in collaboration with co-financing partners:

Outcome 1.1: Scope of ASGM in the three countries evaluated and better understood:

Identify active ASGM sites, including gold processing sites, and conduct risk assessments in each country; Determine baseline estimation of national mercury use and emissions from ASGM in each country; Compile national data on ASGM in each country and present to each country's relevant government agencies;

Activity 1.1.1: Identify active ASGM sites, including gold processing sites, conduct risks assessments in each country.

Activity 1.1.2: Determine baseline estimation of national mercury use and emissions from ASGM.

Activity 1.1.3: Compile ASGM data into national reports and present to relevant national government agencies.

[2] The theme codes are: EAE, PRP and TCB

Outcome 1.2: National strategy action plans to promote sound management of mercury in ASGM developed in all three countries:

Pursue previous work of UNIDO in the three countries and finalise the development of their national action plans with the participation of all the stakeholders. The plans will identify recommendations on how to develop plans for ASGM and mercury management, present recommendations for change in policy, enforcement, education, training and implementation of mercury reduction/ elimination projects to relevant government agencies in each country; Outline specific action items, including identifying priority sites for intervention for all three countries; Work with national and local stakeholders via a national working group to assign roles and responsibilities for implementing the national ASGM strategy plans in all three countries; Provide technical guidance and support to help stakeholders take action in each country.

Activity 1.2.1: Present recommendations for changes in policy, enforcement, education, training and implementation of mercury reduction projects to relevant government agencies.

Activity 1.2.2: Develop National Strategic Action Plans on Mercury in ASGM with relevant government agencies, including prioritizing ASGM areas/sites for intervention.

Activity 1.2.3: Provide technical guidance and expertise for implementation of national strategy action plans.

Outcome 2.1: Develop comprehensive health education and technology training programs:

Currently, the level of awareness and mechanization in the three countries is very low. Based on prior successful pilot programs of UNIDO and the Blacksmith Institute, develop health education programs to promote awareness regarding the health risks of mercury, and technology training programs to spread technical knowledge about low mercury/mercury free technologies in all three countries.

Activity 2.1.1: Develop comprehensive health education programs for government agencies, local NGO's, communities and other stakeholders to raise awareness about health risks of mercury.

Activity 2.1.2: Develop comprehensive training programs for government agencies, local NGO's, communities and other stakeholders to spread technical knowledge for low mercury/mercury free technology.

Activity 2.1.3: Convene stakeholder groups at each pilot project site.

Outcome 2.2: Implement mercury reduction/elimination pilot projects:

Convene stakeholder groups at each identified pilot project site, at least one per country; In collaboration with local and national stakeholders, design site appropriate interventions based on successful pilot projects conducted in previous projects using local knowledge and expertise as well as locally-available materials; Assist local and national stakeholders to implement pilot mercury reduction/elimination projects and provide technical guidance and support as needed; Monitor changes in mercury use, emissions and exposure from ASGM at the pilot sites.

Activity 2.2.1: Assist national and local stakeholders to implement at least one pilot mercury reduction/elimination project in each country.

Activity 2.2.2: Provide technical guidance and support to local/national stakeholders, especially for pilot project monitoring and follow up.

Outcome 3.1: Evaluate opportunity for fair trade certification:

No fair trade gold is currently being produced in this region. The project will evaluate at least three pilot projects (one per each country) for opportunity for fair trade certification, including gap assessments; Select at least three pilot sites (one per country) for certification application; Implement any changes necessary to comply with certification requirements; Develop and submit certification application for at least three locations (one per country).

Activity 3.1.1: Evaluate pilot sites for opportunity for fair trade certification.

Activity 3.1.2: Select appropriate pilot sites for certification application and implement any changes to adhere to certification requirements.

Activity 3.1.3: Develop and submit certification applications for selected pilot sites.

Outcome 3.2: Extract and utilize lessons learned:

Document lessons learned from pilot programs; Present to government agencies and policy makers and use the lessons learned to inform national policy and contribute to the revision of national strategic action plans and adoption of new regulations in each country; Share lessons learned regionally via two regional workshops.

Activity 3.2.1: Document lessons learned from pilot projects.

Activity 3.2.2: Use lessons learned to inform national ASGM strategy action plans, national mercury frameworks and policy-decision makers.

Activity 3.2.3: Share lessons learned at Regional workshop.

C.6. Timeline of the activities

Output	Year 1				Year 2				Year 3			
1.1 Scope of ASGM in the 3 countries evaluated and better undertstood												
1.2 National strategy action plans to promote sound management of mercury in ASGM developed in all three countries												
2.1 Comprehensive health education and technology training programs to reduce/eliminate mercury are developed												
2.2 Mercury reduction/ elimination pilot projects are implemented in Burkina Faso and Mali, and expanded in Senegal with local and national stakeholders. Overall mercury use, emissions and exposure are reduced in pilot sites.												
3.1 Opportunity for fair trade certification assessed at pilot sites and application for certification developed in selected pilot projects (one per country).												
3.2 Lessons learned from pilot projects feed back into the national strategy action plans and inform national policies/ regulations on sound management of mercury												

C.7. Risks

Risk	**Level**	**Mitigation measure**
Support for the project diminish in the countries	Low	Through the INC process, countries participating in the project will be taken as example by other. The project team will continue to publicize the project at the global level
Climate variability	Medium	Water is needed to process gold efficiently but the techniques introduced include recycling of processing water as well as reducing wastage
Price of gold reduces	Low	Most of the ASGM miners are attracted to the sector because of the high prices of gold. Considering the financial instability globally, the price is not expected to go down during the project

D. INPUTS

D.1. Counterpart inputs

As co-financing to the project, each country has agreed to provide in-kind contribution to the project equivalent to $50,000 in local staff time, $30,000 in provision of office space and equipment. Additionally, Mali has committed to the purchase of a vehicle to be used to visit the mining sites.

D.2. UNIDO inputs

UNIDO will provide in-kind contribution of staff in its offices in the field to perform on-site monitoring of the activities. Additionally, UNIDO will contribute to $30,000 to allow for staff travel and contribute to the monitoring and evaluation of the project.

E. BUDGET

The overall project per UNIDO budget line is presented below followed by an output budget and its explanations. Only the overall budget below include the project management costs.

Budget line and description		Total	GEF fund	Co-financing
1100	International experts	578,700	**135,000**	443,700
1300	Administrative assistants	107,500	**41,000**	66,500
1500	Expert travel	317,000	**121,000**	196,000
1600	Staff Travel	73,000	**0**	73,000
1700	National experts	855,000	**173,000**	682,000
2100	Subcontract	415,000	**205,000**	210,000
3000	Meetings, training and workshops	478,000	**130,000**	348,000
4500	Equipment	393,000	**95,000**	298,000
5101	Miscellaneous	11,800	**4,000**	7,800
5102	Printing, translation	87,000	**40,000**	47,000
5103	Communication	73,500	**31,000**	42,500
8300	Evaluation	50,500	**15,000**	35,500
Total		3,440,000	**990,000**	2,450,000

Budget for Output 1.1:

Budget line and description		Total	GEF fund	Co-financing
1100	International experts	56,000	**15,000**	41,000
1300	Administrative assistants	11,000	**6,000**	5,000
1500	Expert travel	45,000	**25,000**	20,000
1600	Staff Travel	4,000		4,000
1700	National experts	110,000	**30,000**	80,000
2100	Subcontract	30,000	**30,000**	0
3000	Meetings, training and workshops	10,000	**5,000**	5,000
4500	Equipment	94,000	**5,000**	89,000
5101	Miscellaneous	5,000	**2,000**	3,000
5102	Printing, translation	2,000		2,000

5103	Communication	3,000	**2,000**	1,000
8300	Evaluation	0		0
Total		370,000	**120,000**	250,000

The main subcontract for this output will consist in linking the US Department of State project and the SAICM project with this project in terms of mapping the active sites in all the three countries. The Artisanal Gold Council, implementer of the US DoS will be a major partner.

Budget for Output 1.2:

Budget line and description		Total	GEF fund	Co-financing
1100	International experts	99,700	**15,000**	84,700
1300	Administrative assistants	11,500	**5,000**	6,500
1500	Expert travel	67,000	**16,000**	51,000
1600	Staff Travel	4,000		4,000
1700	National experts	171,000	**30,000**	141,000
2100	Subcontract	60,000	**30,000**	30,000
3000	Meetings, training and workshops	63,000	**25,000**	38,000
4500	Equipment	19,000		19,000
5101	Miscellaneous	6,800	**2,000**	4,800
5102	Printing, translation	20,000	**10,000**	10,000
5103	Communication	19,500	**7,000**	12,500
8300	Evaluation	5,500		5,500
Total		547,000	**140,000**	407,000

For this output, the project will benefit from the SAICM project in Mali where this work will be implemented as co-financing activity. Senegal and Burkina-Faso will be the major beneficiary of this output. Additionally. The EC-project component of the co-financing will provide major input for this part of the project.

Budget for Output 2.1:

Budget line and description		Total	GEF fund	Co-financing
1100	International experts	45,000	**15,000**	30,000
1300	Administrative assistants	15,000	**5,000**	10,000
1500	Expert travel	35,000	**20,000**	15,000
1600	Staff Travel	0		0
1700	National experts	93,000	**23,000**	70,000
2100	Subcontract	30,000	**30,000**	0
3000	Meetings, training and workshops	80,000	**20,000**	60,000
4500	Equipment	15,000		15,000
5101	Miscellaneous	0		0

5102	Printing, translation	10,000	**10,000**	0
5103	Communication	2,000	**2,000**	0
8300	Evaluation	0		0
Total		325,000	**125,000**	200,000

This output will be complementary to the EC-project component of the co-financing and the involvement of Blacksmith Institute in this aspect will be essential. For this reason, it is foreseen to operate this output as a subcontract.

Budget for Output 2.2:

Budget line and description		**Total**	**GEF fund**	**Co-financing**
1100	International experts	188,000	**40,000**	148,000
1300	Administrative assistants	25,000	**5,000**	20,000
1500	Expert travel	80,000	**25,000**	55,000
1600	Staff Travel	10,000		10,000
1700	National experts	291,000	**50,000**	241,000
2100	Subcontract	70,000	**70,000**	0
3000	Meetings, training and workshops	80,000	**20,000**	60,000
4500	Equipment	190,000	**80,000**	110,000
5101	Miscellaneous	0		0
5102	Printing, translation	5,000	**5,000**	0
5103	Communication	9,000	**5,000**	4,000
8300	Evaluation	0		0
Total		948,000	**300,000**	648,000

This is the major output of the project as it sets the foundations for the reduction in mercury emissions. In this component, the most important co-financing partners will be the FFEM the EC project as well as the US DoS. The expertise of the Artisanal Gold Council will be very valuable to the adequate development and transfer of technologies.

Budget for Output 3.1:

Budget line and description		**Total**	**GEF fund**	**Co-financing**
1100	International experts	90,000	**20,000**	70,000
1300	Administrative assistants	20,000	**10,000**	10,000
1500	Expert travel	35,000	**15,000**	20,000
1600	Staff Travel	20,000		20,000
1700	National experts	95,000	**20,000**	75,000
2100	Subcontract	180,000		180,000
3000	Meetings, training and workshops	125,000	**20,000**	105,000
4500	Equipment	40,000	**5,000**	35,000

5101	Miscellaneous	0		0
5102	Printing, translation	15,000	**5,000**	10,000
5103	Communication	15,000	**5,000**	10,000
8300	Evaluation	15,000		15,000
Total		650,000	**100,000**	550,000

The major contributor to this output will be the FFEM project and its leading actor, the Artisanal Gold Council which developed the fair-trade / fair mined gold standard with the Fair-Trade Labelling Organisation.

Budget for Output 3.2:

Budget line and description		**Total**	**GEF fund**	**Co-financing**
1100	International experts	30,000	**10,000**	20,000
1300	Administrative assistants	10,000	**5,000**	5,000
1500	Expert travel	15,000		15,000
1600	Staff Travel	10,000		10,000
1700	National experts	45,000		45,000
2100	Subcontract	45,000	**45,000**	0
3000	Meetings, training and workshops	90,000	**40,000**	50,000
4500	Equipment	15,000		15,000
5101	Miscellaneous	0		0
5102	Printing, translation	30,000	**10,000**	20,000
5103	Communication	15,000	**10,000**	5,000
8300	Evaluation	0		0
Total		305,000	**120,000**	185,000

This final output will see the dissemination of results with the active involvement of all project partners.

F. MONITORING, REPORTING AND EVALUATION

Overall M&E: UNIDO will be responsible for overall project monitoring and evaluation, and reporting progress to the donor. UNIDO will conduct yearly monitoring and evaluation visits to the project countries, and submit programmatic and financial interim reports within 30 days of the end of every six-month period. The final programmatic and financial reports will be submitted to the donor within 90 days of project end. UNIDO and its executing partners will meet bi-annually to 1) review and approve annual work plans; 2) assess progress against M&E targets as indicated in the Project Results Framework; 3) approve of interim and final reports; and 4) assess any gaps or weaknesses, and make appropriate adaptive management decisions based on progress and achievements. Work plans for years two and three will be based upon results achieved in the previous year, agreed priorities and any changes identified via adaptive management decisions (including associated budget allocations).

Programmatic M&E: the main executing partner, Blacksmith Institute, will be responsible for day-to-day management of the project, reporting quarterly to UNIDO. The executing partner will conduct two monitoring and evaluation visits to the project countries each year to review and assess project progress, ensure management decisions are implemented, review strategies and adapt project execution plans accordingly. In addition, the Project Manager will monitor project activities on a weekly basis. Email, chat, video chat or telephone communications with Country Coordinators and other partners allow for real time, close coordination and feedback between central management,

technical specialists, field project staff and partners. Country Coordinators will be responsible for implementing day-to-day technical assistance activities and reporting progress and any challenges back to the Project Manager.

Technical advice and expertise will be coordinated by UNIDO and its executing partner. The technical experts will be an important part of the monitoring and evaluation process, as they will provide specific technical project advice, assist with troubleshooting as needed, and ensure quality control and adherence to international environmental and chemical safety standards. The stakeholder groups will also play key roles in project monitoring and evaluation. Stakeholder groups will be involved in all stages of the project planning and implementation, and will be crucial “eyes and ears” on the ground to identify needs and problems or challenges, as well as assist in finding solutions.

Progress of activities and outputs against the targets and desired outcomes will be assessed bi-annually using the means of verification and indicators for measurement explained in the Project Results Framework. Standard statistical methods will be used to analyze and report trends where applicable; qualitative indicators will be monitored when quantitative indicators are not feasible or useful. Performance measures will occur at three levels: activity, annual work plans and overall project, and reported upon as explained above. Quarterly reports and bi-annual reports will aggregate, summarize and convert project data/results into more general language indicating project progress towards objectives. In this way, reporting will link monitoring and evaluation aspects.

Activities of other executing partner organizations will be measured in a parallel fashion, using project agreements or memorandums of understanding that explicitly list objectives and activities for which each partner is responsible. Partners will be required to report quarterly to Country Coordinators on their achievement of these aims using their respective agreements/ MoU’s and the Project Results Framework. Partner reporting will then be integrated into overall project reporting. Following completion of annual project reports, all project partners will meet to review in-country progress and make needed adjustments to the project plan. Working with project partners, local/national governments, NGO’s and other stakeholders, annual work plans will be adapted as necessary.

Financial Monitoring: All project costs must be accounted for and documented. Financial reports will be required on a monthly basis from the field to the Program Manager, according to internal accounting procedures. Interim financial reports will be provided to the donor by UNIDO every six months, and a final financial report will be provided within 6 months of project end.

G. PRIOR OBLIGATIONS AND PREREQUISITES

As a prerequisite, each country operational focal point has endorsed the proposal.

H. LEGAL CONTEXT

The project will operate within the respective agreements signed between UNIDO and their respective government.