GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*
THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	**5484**		
Country/Region:	**Honduras**		
Project Title:	**Environmental Sound Management of Mercury and Mercury Containing Products and their Wastes in Artisanal Small-scale Gold Mining and Healthcare**		
GEF Agency:	**UNDP**	GEF Agency Project ID:	**5229 (UNDP)**
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**POPs**
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		**CHEM-3;**	
Anticipated Financing PPG:	**$0**	Project Grant:	**$1,300,000**
Co-financing:	**$6,219,854**	Total Project Cost:	**$7,519,854**
PIF Approval:	**November 18, 2013**	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Anil Sookdeo**	Agency Contact Person:	**Jacques Van Engel**

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating **country eligible**?	Yes	Yes
	2. Has the **operational focal point** endorsed the project?	Yes	Yes
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the **resources available** from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?		Yes
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or		

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

[1] Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI.

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	Technology Transfer)?		
	• the Nagoya Protocol Investment Fund		
	• focal area set-aside?		
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF **results framework and strategic objectives**? *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 progress toward achieving the Aichi target(s).*	Yes	Yes
	5. Is the project consistent with the recipient **country's national strategies and plans** or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	Yes	Yes
Project Design	6. Is (are) the **baseline project(s),** including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	Yes	Yes
	7. Are the components, outcomes and outputs in the **project framework** (Table B) clear, sound and appropriately detailed?	Yes	Yes
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	In the descripition of the global environmental benefits on page 13, what are the barriers to acheiving a 100% reduction in mercury and how could these activities be supported. Why is only a partial reduction being targeted?	Yes, This project targets the reduction of 1ton/year of mercury from the ASGM and Health Care sectors.

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		Sept 20 - The response provided while valid and indicative of the sector still does not look into what other types of sustainable investments can be made. Green Gold is one option but could the project seek to investigate other means of ensuring sustainability that would result in a complete phase out? Sept 26 - Comment Cleared	
	9. Is there a clear description of: a) the **socio-economic benefits**, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		Yes
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	Yes	Yes
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	Yes	Yes
	12. Is the **project consistent and properly coordinated** with other related initiatives in the country or in the region?	How would this project be linked to or supported by the proposal by UNEP for a regional mercury project on inventories in Latin America? Sept 20 - Comment cleared	Yes

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	13. Comment on the project's **innovative aspects, sustainability, and potential for scaling up**. • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention.	The project seeks to clean up the gold supply chain in Honduras which would allow in better pricing of the gold thereby creating a platform for others to replicate in the country. The project will also promote replication from using national resources to do addtional work. There is not mention of enforcement of policies etc developed in the project. This seems to be a lacking component to ensure the project is sustainable. Please addresss this. Sept 20 - The response partially satisfies the concern raised in the first review. An assessment of possible incentives should be looked at to encourage miners to enter into a regulated mining sector. Comment cleared but the above comment needs to be addressed during the CEO endorsement.	Since the PIF approval, the Government has taken steps towards formalization of the ASGM sector which greatly improves the ability of the project to be sustained in the ASGM community which could result in a total reduction of mercury in Honduras.
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		Yes
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		This project was approved under the GEF 5 mercury pilot which among other goals is to assist in the determination of the cost effectiveness of these types of projects. As proposed this project will cost 1300$/kg of merrcury.
	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes	Please justify the request of 120,000 for awareness raising activities. Sept 20 - While it is true training and	Yes

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Project Financing	and outputs?	awareness are important in educating the miners and communities about the impacts of mercury a better strategy would be to also demonstrate how their incomes can increase from using alternative practices and technologies. At this scale of mining the cost margins are immediately felt and changes that would increase overall production cost may be difficult to implement. Please include during the CEO endorsement stage.	
	17. At PIF: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? At CEO endorsement: Has co-financing been confirmed?	Co-financing commitments are adequate however the sources are not confirmed or idenitified in some cases. Sept 20 - The co-financing as proposed in the revised PIF raises a concern on the ability of the 'in-kind' resources to contribute to the project objectives. Please clarify what makes up the in-kind resouces, in particular the amounts proposed to support component 3 and 4. Sept 26 - Comment cleared	The co-financing has been confirmed.
	18. Is the funding level for **project management cost** appropriate?	Yes	Yes
	19. At PIF, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? At CEO endorsement/ approval, if PPG is completed, did Agency report on the activities using the PPG fund?	The PPG request is above the amount established for this size of project. Please justify the request or reduce to 50,000 or less. Sept 20 - Comment cleared.	The PPG has been fully utilized

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	20. If there is **a non-grant instrument** in the project, is there a reasonable calendar of reflows included?	No	No
Project Monitoring and Evaluation	21. Have the appropriate **Tracking Tools** been included with information for all relevant indicators, as applicable?		Yes
	22. Does the proposal include a **budgeted M&E Plan** that monitors and measures results with indicators and targets?		Yes
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		None received
	• Convention Secretariat?		None received
	• The Council?		None received
	• Other GEF Agencies?		Non received
Secretariat Recommendation			
Recommendation at PIF Stage	**24. Is PIF clearance/approval being recommended?**	Pending clarifications raised in the review. Sept 20 2013 - pending addtional clarifications. Sept 26 - Recommended	
	25. Items to consider at CEO endorsement/approval.	Amount of Mercury to be reduced. An assessment of possible incentives should be looked at to encourage miners to enter into a regulated mining sector.	
Recommendation at CEO Endorsement/ Approval	**26. Is CEO endorsement/approval being recommended?**		Yes
Review Date (s)	First review*	July 26, 2013	December 11, 2014
	Additional review (as necessary)	September 20, 2013	
	Additional review (as necessary)	September 26, 2013	

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* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**