

Environmentally Sound Management of POPs, Mercury and other Hazardous Chemicals in Argentina

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10094

Countries

Argentina

Project Name

Environmentally Sound Management of POPs, Mercury and other Hazardous Chemicals in Argentina

Agencies

UNDP

Date received by PM

9/29/2019

Review completed by PM

11/14/2019

Program Manager

Evelyn Swain

Focal Area

Chemicals and Waste

Project Type

FSP

PIF

CEO Endorsement

Part I – Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at PIF/Work Program Inclusion

Yes, this project is well aligned with what was presented in the PIF.

Agency Response

Project description summary

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at PIF/Work Program Inclusion Yes, the structure and design are appropriate and well described in the project document.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at PIF/Work Program Inclusion Yes, the co financing is adequate and has even gone up since PIF with a definition of investment mobilized.

Agency Response

Answers to GEFSEC DECISION RECOMMENDATION section questions:

1- On comment 1: although now there is a better organized and the co-financing documents are properly translated, there are some problems as follow:

a. Faisan: in Table C it is shown as some part as a grant – some part as in-kind. However, the co-financing document doesn't differentiate between the two types of co-financing – it is not evident how this differentiation was made.



ANSWER: The differentiation of the two types of co-financing was based on the following:

Activity	Description	Annual investment (USD)	Grant	In kind
Appropriate management of hazardous waste (Treatment and final disposal)	Transport, treatment and final disposal of hazardous and/or special waste	15349	X	
Reduction of generated waste	By the use of by-products	1650		X
Training of staff	Training in Health and Safety and MA	350		X

Emissions control and reduction	Studies in relation to CAA OPDS	1067		X
Process safety measures	Process improvements			
Audits	IRAM, otras	552		X
Other initiatives				
Total annual investment (USD)		18,968	15,349	3,619
Total estimated investment 2019-2025 (USD)		132,776	107,443	25,333

b. CABOT Argentina: in Table C shows an in-kind contribution for \$462,000. However the co-financing document amount sum only \$66,000



ANSWER: This is because the cofinancing letter shows the annual contribution amount \$66,000.

What is considered in Table C is total amount of 7 years of contribution 2019-2025 (based on the annual contribution informed by the company) = $7 \times \$66,000 = \$462,000$

The differentiation of the two types of co-financing was based on the following:

Activity	Description	Annual Investment (usd)	Grant	In Kind
Appropriate management of hazardous waste (Treatment and final disposal)	<ul style="list-style-type: none"> - Appropriate separation of waste in special waste plants by means of special containers clearly identified. - Weekly audits of the special waste premises to verify the labelling and distribution within the sector - Hiring of companies licensed by the corresponding entity - Audits of the companies in charge of treatment in each contract renewal - Regular follow up and control of documentation traceability (declaration – treatment certificate – final disposal cert) 	USD 20.000	x	
Reduction of generated waste	<ul style="list-style-type: none"> - Recycling campaign paper and cardboard - Organic canteen waste compost (monthly reduction of 60 kg) - Operational improvement in the process of diminishing the products overflows - Pruning waste grinding (90% volume reduction) and disposal in green areas - Recycling of wastes similar to domestic by recyclers registered in the corresponding authority - Recycling of plastic containers material - Awareness campaign of waste separation in plant 	USD 7.000		x

<p>Training of staff</p>	<ul style="list-style-type: none"> - Master plan for the integral training of all staff including different organization levels and areas. - Training of staff on safety, health, safe processes, environment. Sustainability and chapters of the PCRMA - Communication campaigns - Communication meetings every three months for all staff including follow up of the plants objectives as waste reduction and safety, health and environment indexes - Specific training for external professionals for the strengthening of capabilities and technical knowledge for managers 	<p>USD 20.000</p>		<p>x</p>
<p>Control and reduction of emissions</p>	<ul style="list-style-type: none"> - Gas emissions annual monitoring campaigns - Analysis of future emissions before the execution of each new project with the corresponding mitigation action plan during the engineering process - Monthly follow up of the continuous monitoring carried out by the Interindustrial Committee for Environment Conservation Campana Zarate (CICACZ) and development of joint action plans with the companies of the industrial area. 	<p>USD 8.300</p>		<p>x</p>
<p>Process safety measures</p>	<ul style="list-style-type: none"> - Procedures to manage change - Risk analysis of processes (HAZOP) carried out for each project - Safety information of processes (MSDS, technical specifications of equipment, maintenance manuals, etc.) - Pre-commissioning audits of new changes - Safeguarding in processes - Safety follow up audits - Training of operational staff. 	<p>USD 3.000</p>		<p>x</p>

Audits	<ul style="list-style-type: none"> - Internal audits of the integrated management system - External audits of the integrated management system - PCRMA audits - Internal audits of corporate standards in safety, health, environment and safety in processes - Corporate audits of standards in safety, health, environment and safety in processes - Audits of legal requisites fulfillment carried out by external consultants with wide experience in the subject - Audits carried out by government bodies (Secretary of Energy, RNPQ, PNA, } 	USD 3.000		x
Other initiatives	<ul style="list-style-type: none"> - Interdisciplinary teams "Helping the community", "Sustainability", "Manufacturing" which analyze and carry out action plans in different important parts of the plant - Participation in local environment conservation and health and safety teams - Participation in projects executed by the municipality, OPDS and UIPBA by the Campana Development Agency 	USD 4.700		x
Total Annual		66,000	20,000	46,000
Total 2019-2025		462,000	140,000	322,000

c. Mercado Central: in Table C it is shown as some part as a grant – some part as in-kind. However the co-financing document doesn't differentiate between the two types of co-financing – it is not evident how this differentiation was made



ANSWER: The differentiation of the two types of co-financing was based on the following:

#	Characteristics	Total Value	Grant	In Kind
1	Transformers	22 transformers will be changed USD 460.900	x	
2	Sea containers	4 containers will be needed USD 13.380	x	
3	Concrete platform	USD 7.500	x	
4	Washing trays and drums	Tray of transformers USD 2.600	x	
		Tray of capacitors USD 1.200	x	
		Drums for waste: USD 600 This point can vary, in case trays are used instead of drums.	x	
5	Epoxy painting	6 containers of paint will be needed USD 1.700	x	

6	Closure	USD 9.500 (includes labor)	x	
7	Lighting	USD 2.500 (includes labor)	x	
8	Signals	USD 1.000	x	
9	Safety monitoring	USD 320	x	
10	Lightning rod	USD 1.000	x	
11	CMCBA staff	USD 72.000		x
		Labor: USD 500 General tasks: USD 1.680		x
		USD 70		x
		USD 62.400		x
12	Laboratories	22 sites will be necessary (only concrete): USD 7.700	x	
13	13- Licensed company to handle PCB	(*)		
14	Licensed company to handle PCB	(*)		
TOTAL			USD 509,900	USD 136,650

(*) A budget was requested, which was not submitted, as to date there is no certainty about the presence of contamination in each one of the sub-stations, and therefore the volume of waste to generate. Nevertheless, both items are significant amounts

d. SENASA: the amounts reported in Table C (\$725,000 + \$20,500) cannot be inferred from the amounts included in the co-financing document (\$390,000)



ANSWER:

SENASA co-financing document is using 2 currencies: pesos argentinos and us dollars. It is not easy to distinguish them. Please find in below a summary table for the activities listed:

In Grant, is considered the following:

Listed Activities	Pesos Argentinos	US Dollar	
A	7.917.654	-	
B	2.225.000	105.000	
C	4.780.000	110.000	
D	-	145.000	
E	898.109	40.000	
F	232.152	-	
G	150.400	-	
Total	16.203.315	400.000	
Total+IVA	19606011 *	400.000	
Total USD	325.033	400.000	725.033

*Rate = 60,32 pesos/usd

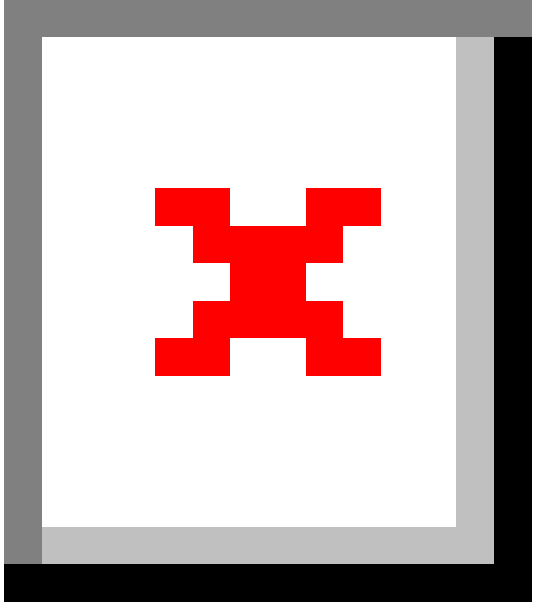
In Kind, is considered the following:

Listed Activities	Pesos Argentinos
Salaries	5.460.000
Daily Subsistence Allowance	1.125.000
Total	6.585.000
Total USD *	109.168

*Rate = 60,32 pesos/usd

Here we have detected a miscalculation in terms of in kind amounts. The figure has been adjusted.

e. TREDI: the calculations presented in the co-financing document include the market price per ton + the VAT (value added tax) as part of the contribution. This calculation including the tax cannot be accepted.



ANSWER: we have adjusted the figures to exclude VAT from TREDI

f. Huntsman: in Table C shows an in-kind contribution for \$62,720. However the co-financing document amount sum only \$8,960



This is because the cofinancing letter shows the annual contribution amount \$8,960. What is considered in Table C is total amount of 7 years of contribution 2019-2025 (based on the annual contribution informed by the company) = $7 \times \$8,960 = \$62,720$.

The differentiation of the two types of co-financing was based on the following:

Activity	Description	Annual investment (USD)	Grant	In Kind
Appropriate management of hazardous waste (treatment and final disposal)	Final disposal by authorized carrier and operator	2460	X	
Reduction of generated waste	Conversion of fluorescent lighting to LEDs, which do not generate special waste. On-site differentiation and recyclable waste disposal	3000		x
Training of staff	Training in emergencies and safety and environment procedures	1000		x

Control and reduction of emissions	Our company does not produce gas emissions	0		
Safety measures for processes	Our process is very small, which is managed by the EHS management system	0		
Audits	Our internal management system carries out follow up audits. Audit for PCRMA certificate	2500		x
Total Annual		8,960	2,460	6,500
Total 2019-2025		62,720	17,220	45,500

g. Many of the co-financing documents (consequently, the amounts included in Table C) consider contributions starting in calendar year 2019 – please ask the Agency to re-calculate the amounts using a fair estimation of the project’s life (from 2020 till 2026). Some others don’t specify the time frame, reason why it is not possible to assess whether the co-financing amount was already committed or will be committed in the future – this requires further clarification.

ANSWER: The cofinancing presented includes 2019 as the project has been designed to begin implementation that year. Moreover, the cofinancers have committed to this cofinancing both with the SAyDS as well as with UNDP upon planning of the project, which includes 2019.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at PIF/Work Program Inclusion Yes, table c shows the PPG utilization rates.

Agency Response

Core indicators

7. Are there changes/ adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at PIF/Work Program Inclusion Yes, core indicators are fine.

Agency Response

Part II – Project Justification

1. Is there a sufficient elaboration on how the global environmental/ adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at PIF/Work Program Inclusion

Yes, this is clear.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at PIF/Work Program Inclusion

Yes this was provided in the PIF and elaborated in the CEO Endorsement document.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at PIF/Work Program Inclusion

Yes, stakeholder engagement is well defined and there is a plan in the document.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at PIF/Work Program Inclusion

Yes, a gender analysis had been conducted.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at PIF/Work Program Inclusion

Yes, this project has private sector engagement and clear co financing from the private sector.

Agency Response

Risks

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at PIF/Work Program Inclusion

Risks are identified, however please address any risks associated with climate change.

Agency Response

No risks associated with Climate Change have been identified during the Preparatory Phase (please refer to Standard 2 of the Social and Environmental Risk Procedure PRODOC annex E)

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at PIF/Work Program Inclusion

Please clarify the implementation and execution arrangements. Implementing agencies should not perform executing functions. The budget table does not show any of the project funds going to UNDP for executing function, please confirm this is the case.

ES, 10/29/19: UNDP confirms that the Project will be Executed by the Secretariat of Environment and Sustainable Development (SAyDS). No budget has been allocated for UNDP execution services.

Agency Response

UNDP confirms that the Project will be Executed by the Secretariat of

Environment and Sustainable Development (SAyDS) and implemented by UNDP. No budget has been allocated for UNDP execution services

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

Yes, this project is aligned with national strategies.

Agency Response

Knowledge Management

Is the proposed “Knowledge Management Approach” for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

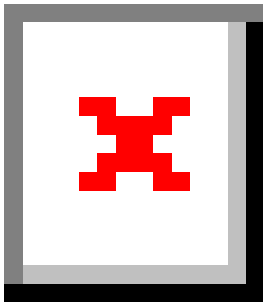
Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Answers to GEFSEC DECISION RECOMMENDATION section questions:

1- On comment 2: still 3 out of the 4 ineligible expenses are charged to the M&E Plan. Stakeholder and Gender action Plan + Translations are ineligible expenses under M&E. The Agency can cover those items with co-financing resources.



ANSWER: The Monitoring plans required by GEF Policy will remain part of the M&E budget unless the GEFSEC requires UNDP to remove them. Translation costs have been removed from the M&E table and will be charged to PMCs.

2- The monitoring of the stakeholder engagement plan and the gender action plan are in eligible expenses. The Agency can internalized the cost or cover those items with co-financing.

ANSWER: Please note that UNDP cannot remove monitoring of the project gender action plan from the M&E budget as this is a GEF policy requirement. This M&E activity will ensure the execution of the Gender Action Plan at the project level. This execution function is separate from the implementation/oversight tasks that the RTA will provide to ensure the Gender Action Plan is executed to the high standards of the GEF Gender Policy. This implementation oversight function is covered by the GEF Fee. We trust this is clear and will not delay the approval of this project”

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Project Results Framework

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

GEF Secretariat comments

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Council comments

Secretariat Comment at PIF/Work Program Inclusion Council comments have been addressed.

Agency Response

STAP comments

Secretariat Comment at PIF/Work Program Inclusion

STAP has provided some comments, please provide a response to how these have been addressed.

ES, 10/29/19: STAP comments have been addressed.

Agency Response

Agency Response: comments have been addressed and integrated into the Project's design.

Convention Secretariat comments

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Other Agencies comments

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

CSOs comments

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Status of PPG utilization

Secretariat Comment at PIF/Work Program Inclusion Over 50% spent.

Agency Response

Calendar of expected reflows (if NGI is used)

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project maps and coordinates

Secretariat Comment at PIF/Work Program Inclusion Provided.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

**Secretariat Comment at PIF/Work Program Inclusion
Agency Response**

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at PIF/Work Program Inclusion

Not at this time, there are some questions that still need to be clarified.

ES, 10/31/19:

Project to be returned to the Agency due to:

1- The way co-finance is presented in Table C vis-à-vis the co-financing documents available make not possible to properly determine whether there is an accurate match – Please ask the Agency to present the co-financing in Table D by co-financers. Also, in order to see the sequence, please ask the Agency to present each document with the version in Spanish followed by the version in English (or vice versa) – otherwise is not possible to determine the validity of the documentation Additionally, in-kind co-financing from Government, UNDP, and private sector has been marked as “investment mobilized”. However, where co-financing truly meets the definition of "in-kind", it should typically be classified as

"recurrent expenditures" rather than "investment mobilized". For further details, please refer to the Co-Financing Guidelines (http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf).

2- There are some ineligible expenses included in M & E Budget (see below) – please ask the Agency to remove these charges from the M&E Plan

3- Section IX of the ProDoc – Governance and Execution Arrangements: -please **modify who the Senior supplier will be** – it should be somebody from the **Executing Agency, not UNDP Resident Representative.**

ES, 11/14/19:

ES, 12/4/19: Below are comments from PPO.

Project to be returned to the Agency due to:

1- On comment 1: although now there is a better organized and the co-financing documents are properly translated, there are some problems as follow:

a. Faisan: in Table C it is shown as some part as a grant – some part as in-kind. However the co-financing document doesn't differentiate between the two types of co-financing – it is not evident how this differentiation was made.

b. CABOT Argentina: in Table C shows an in-kind contribution for \$462,000. However the co-financing document amount sum only \$66,000

c. Mercado Central: in Table C it is shown as some part as a grant – some part as in-kind. However the co-financing document doesn't differentiate between the two types of co-financing – it is not evident how this differentiation was made

d. SENASA: the amounts reported in Table C (\$725,000 + \$20,500) cannot be inferred from the amounts included in the co-financing document (\$390,000)

e. TREDI: the calculations presented in the co-financing document include the market price per ton + the VAT (value added tax) as part of the contribution. This calculation including the tax cannot be accepted.

f. Huntsman: in Table C shows an in-kind contribution for \$62,720. However the co-financing document amount sum only \$8,960

g. Many of the co-financing documents (consequently, the amounts included in Table C) consider contributions starting in calendar year 2019 – please ask the Agency to re-calculate the amounts using a fair estimation of the project's life (from 2020 till 2026). Some others don't specify the time frame, reason why it is not possible to assess whether the co-financing amount was already committed or will be committed in the future – this requires further clarification.

2- On comment 2: still 3 out of the 4 ineligible expenses are charged to the M&E Plan. Stakeholder and Gender action Plan + Translations are ineligible expenses under M&E. The Agency can cover those items with co-financing resources.

ES, 1/23/2020: The monitoring of the stakeholder engagement plan and the gender action plan are in eligible expenses. The Agency can internalized the cost or cover those items with co-financing.

2/13/2020: The PPO comments have been cleared. CEO endorsement is recommended.

Review Dates

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations

This project will minimize the risk posed by POPs, mercury and other hazardous chemicals to human health and the environment and support compliance to the Stockholm and Minamata Convention in Argentina. The project includes components to support institutional strengthening of government and other stakeholders,for

the environmentally sound management of hazardous substances and their elimination. Improved management and disposal of POPs, highly toxic chemicals, and mercury. It will support environmentally sound management and disposal of PCBs to reach the 2025 and 2028 phaseout dates under the convention. It also includes a component on knowledge Management and M&E. The project will reduce or destroy 5,470 tons of chemicals including POPs and mercury.