

Environmentally sound destruction of PCBs in Brazil

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10368

Countries

Brazil

Project Name

Environmentally sound destruction of PCBs in Brazil

Agencies

UNDP

Date received by PM

6/11/2021

Review completed by PM

11/4/2021

Program Manager

Evelyn Swain

Focal Area

Chemicals and Waste

Project Type

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 CEO Endorsement Request

Yes, the project is aligned with the PIF and where it differs slightly there is an explanation provided.

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 CEO Endorsement Request Yes, the structure and design are appropriate.

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

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 CEO Endorsement Request

Co-financing has increase since PIF stage and there is significant co-financing from the provide sector.

2 co-financing entries are missing the "source of co-financing". Please correct this in the portal.

ES, 10/5/21: Table updated. Comment cleared.

Agency Response

Cofinancing table on the Portal has been updated

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 CEO Endorsement Request 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 CEO Endorsement Request Yes, PPG utilization is included in Annex C.

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 CEO Endorsement Request

Core indicator 9 and 9.1 are missing and should be added.

ES, 10/5/21: 9 and 9.1 should be the amount of pure chemical and not the same amount as 9.6 which is equipment.

ES, 10/8/21: Core indicator and GEBs have been corrected. Comment cleared.

Agency Response

Indicator 9.1 has been updated. There is an error as 9.6 indicates the amount at PIF stage. Can this be corrected?

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 CEO Endorsement Request

Yes, the project is justified.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

Yes, the project baseline is elaborated.

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, the alternative scenario is adequate.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

Yes, this project is well aligned with the CW strategy and Stockholm Convention.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

Yes.

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 CEO Endorsement Request

The pure PCBs addressed through the project need to be calculated and added to the project document.

ES, 10/5/21: The information included in the agency response should be included in the core indicator table of the portal as well as the Global Environmental Benefits section.

ES, 10/8/21: Core indicators and GEBs have been updated. Comment Cleared.

Agency Response

In the previous Project (GEFID 3282), a thorough inventory was developed in 3 electrical enterprises where 755,000 transformers were sampled (this figure represents about 10% of all the transformers of the country, about 8 million). This amounts to about 326,145 ton, which contained 97,843 ton of oil.

Out of these:

? 0.15% contained more than 10,000 ppm of PCBs, therefore: 1.5 ton pure PCBs

? 2.39% contained more than 500 ppm of Pure PCBs (1,000 taken as average value), therefore:

2.3 ton pure PCBs

? 20.69% contained more than 50 ppm of Pure PCBs, (200 taken as average value), therefore: 4.0 ton pure PCBs

Total in sample would be 7.8 Ton, which when projected into the 8 million available transformers, results in **82 ton of pure PCB in the country**

The project aims to eliminate 15,000 Ton of PCBs contaminated materials of the estimated minimum amount of 50,000 ton of equipment contaminated with PCBs. Therefore, the project will eliminate 25 ton of pure PCB oil (30% of the 82 ton identified).

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 CEO Endorsement Request

Yes, information on innovation, sustainability, and scale up is provided.

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 CEO Endorsement Request

Please add the map and geo reference to the main portal page.

ES, 10/8/21: Map added. Comment cleared.

Agency Response

Information on portal has been updated

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 CEO Endorsement Request

NA

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 CEO Endorsement Request

Yes, there is detailed information on stakeholders, including the private sector and CSOs.

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 CEO Endorsement Request

Yes, a gender analysis has been completed and activities that focus on women have been included.

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 CEO Endorsement Request

Yes, the private sector plays an important role and will provide significant co-financing.

Agency Response

Risks to Achieving Project Objectives

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 CEO Endorsement Request

Yes, risks have been elaborated, including pandemic related risks

Agency Response

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 CEO Endorsement Request

Yes, institutional arrangement have been provided and reviewed.

Agency Response

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 CEO Endorsement Request

Yes, this project is well aligned with the Stockholm Convention PCB obligations.

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 CEO Endorsement Request

Yes, KM is adequate.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

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 CEO Endorsement Request

Yes.

Agency Response

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 CEO Endorsement Request

Yes, the socioeconomic benefits are elaborated.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request Results framework is provided and adequate.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request STAP comments have been addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Approximately half of PPG has been used.

Agency Response Funds are currently committed

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

Needs to be added to the portal main page.

ES, 10/8/21: Map added. Comment cleared.

Agency Response Noted

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

Not at this time. Some issues need to be addressed.

ES, 10/5/21: Not at this time. The core indicators and GEBs need to be corrected.

ES, 10/19/21: PPO has the following comments:

Project to be returned to the Agency due to:

1. Something wrong with an image under the Project Description section of the Portal entry - please ask the Agency to amend:
2. Please request UNDP to include the M&E budget under section 9 of the Portal entry:
3. UNDP support services as indicated in the budget table and in the audit checklist is in contrary to the Institutional arrangement where the Ministry of Environment is indicated as executing agency. Please request UNDP to amend the Institutional arrangement section accordingly. (Note: GPU PMs and Manager have approved for this execution arrangement by UNDP).
4. M&E budget in the Prodoc indicate an indicative budget of \$155,000 while both table B of the Portal entry and the budget table indicate a total of \$300,000 for M&E:
5. Budget table includes unspecified Miscellaneous expenses which are not covered by GEF funding ? these expenses should be covered by the co-financing portion of PMC:
6. Co-financing: Many co-financing letters are grouped together and each letter contains detailed financing breakdown (some are down to \$91 for PPE purchase), but without distinguishing in-kind vs. IM amount. All co-financing entries are categorized as IM. The grant vs. in-kind split is most likely based on incorrect understanding. To me, majority activities sound like ?in-kind? while some could be IM, but not clear. Please ask the agency to re-do it by creating 1 entry for 1 entity, and we can provide some basic guidance about in-kind (recurrent expenditures) vs. grant (IM).
7. Core Indicators: Please align targets for GEF Core Indicators 9 (Reduction of chemicals) and 11 (Beneficiaries) between Core Indicator Table and Annex A ?Project Results Framework? (at the moment, there are different targets listed).
8. Gender: It is well noted that the submission includes a gender analysis and action plan. It is, however, unclear from the submission how the project activities/plans will support actions and monitoring efforts to closing gender gaps related to access to and control over natural resources as indicated in the section on gender. Please ask agency to provide further information and or to revise the gender tags.

ES, 11/1/21: PPO has the following comments:

Project to be returned to the Agency due to:

Some of the comments provided on October 19th have not been addressed - please ask the Agency to amend:

1. Comment 1 ? addressed
2. Comment 2 ? addressed
3. Comment 3 ? addressed
4. Comment 4 - not possible to assess whether or not the comment was addressed because the budget in Table E in Portal is illegible (see below)
5. Comment 5 - not possible to assess whether or not the comment was addressed because the budget in Table E in Portal is illegible (see below)
6. Comment 6 ? addressed
7. Comment 7 ? not yet addressed:
? Annex A ?Project Results Framework? line ?115,000 tons of additional PCBs? should read ?15,000 tons of additional PCBs?
? GEF Core Indicator 11 (direct beneficiaries) has different targets in Core Indicator Table and in Annex A ? please align.
8. Comment 8 ? addressed.

ES, 11/10/21: PPO has the following comments:

Project to be returned to the Agency due to:

- Still M&E budget in the ProDoc presents an indicative budget of \$155,000 while both table B of the Portal entry and the budget table indicate a total of \$300,000 for M&E ? this discrepancy is not explained in the Review sheet, neither in the budget.
- Budget table still includes Miscellaneous expenses ? they only added the words ?including COVID-19 PPE? which are not related with operational issues linked with the execution ? these expenses should be covered by the co-financing portion of PMC
- Core indicator: this comment was only partially addressed - please resolve: GEF Core Indicator 11 (direct beneficiaries) has different targets in Core Indicator Table and in Annex A ?Project Results Framework? ? please align.

ES, 11/11/21: The agency has addressed PPO's comments. CEO Endorsement is recommended.

Review Dates

| | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|---|---|--|
| First Review | 8/31/2021 | |
| Additional Review (as necessary) | 10/5/2021 | |
| Additional Review (as necessary) | 10/19/2021 | |
| Additional Review (as necessary) | 11/1/2021 | |
| Additional Review (as necessary) | 11/11/2021 | |

CEO Recommendation

Brief reasoning for CEO Recommendations

This project will minimize risk of Persistent Organic Pollutants (PCBs) exposure to human beings and environment in compliance of Stockholm Convention using a sustainable market approach. The project will primarily focus on activities related to the management and environmentally sound disposal of PCBs in electrical transformers with a special focus on sensitive sites (schools, hospitals, small PCB possessors) that will have difficulties in assuring an environmentally sound management and disposal of their PCBs unless they receive some external assistance. The project will assist Brazil to comply with both the 2025 and 2028 targets on PCBs under the Stockholm Convention. In terms of delivering Global Environment Benefits, this project aims to destroy 25 MT of pure PCBs and 15,000 MT of PCB containing material.