

# Environmentally sound management of PCBs, Mercury and other toxic chemicals in Peru

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10419

**Countries**

Peru

**Project Name**

Environmentally sound management of PCBs, Mercury and other toxic chemicals in Peru

**Agencies**

UNDP

**Date received by PM**

10/12/2019

**Review completed by PM**

11/2/2020

**Program Manager**

Evelyn Swain

**Focal Area**

Chemicals and Waste

**Project Type**

FSP

## **PIF**

### **Part I – Project Information**

#### **Focal area elements**

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

Secretariat Comment at PIF/Work Program Inclusion

The general elements are in line with those set out in the GEF 7 policy.

## Agency Response

### Indicative project/program description summary

#### 2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

#### Secretariat Comment at PIF/Work Program Inclusion

For Component 2 on PCBs:

- It is not clear how this project differs from the previously funded GEF project to address PCBs in Peru. In general the GEF does not fund second phase projects on the same subject without strong justification.
- Peru has requested fund for a NIP update project which is under implementation which will update inventories. What is the justification for requesting additional funding through this project to update the inventory on PCBs?
- 1300 tons of PCB contaminated equipment should be listed in core indicator 9.6. An estimate of pure PCB should be listed in core indicator 9.1.
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- For component 3 on POPs pesticidesL
- Peru has requested fund for a NIP update project which is under implementation which will update inventories. What is the justification for requesting additional funding through this project to update the inventory on POPs pesticides?
- The GEB's associated with this component seem low for the amount of funding requested, especially for mercury.

ES, 10/6/20: The project has been adjusted and it has been clarified that the component on PCBs will address sensitive and industrial sites. There is a justification included for this component and if it is approved it should be noted that it is not precedent for the GEF to fund follow up projects addressing the same topic.

Please clarify if this project will help the country to achieve 2025/2028 phaseout deadline under the Stockholm Convention.

ES, 10/19/20: It has been clarified that the project will work toward the 2025/ 20208 phaseout deadlines, and that that country and agency acknowledge this is an exceptional approval on the PCB component.

## Agency Response

UNDP Answer 10/9/20: The project intends to provide a feasible and cost-effective solution for the achievement of 2025/2028 targets. The project intends to eliminate 600 ton of PCBs contaminated equipment and materials from sensitive sites and industry eliminated (Output C1). Furthermore, based on the estimated inventory (to be carried out through the PPG phase), a feasibility study will be developed, in order to determine the costs for elimination of the remaining amount of PCBs in the country. Furthermore, through outputs A1) Regulatory and Institutional framework strengthened for environmentally sound management of POPs, Mercury and other toxic chemicals, A2) National system for environmentally sound management and elimination of POPs, Mercury and other toxic chemicals established and A3) Coordination platform for regulatory compliance enforcement, for Information and Report of POPs, Mercury and other toxic chemicals control established, strict controls of existing PCB stocks will be monitored and will be able to reach a sound disposal in a cost-effective manner.

The Government of Peru is fully aware that this will be the last GEF funded project to address the issue of PCBs, and this project will put the country on a path to comply with the obligations under the Stockholm Convention for PCBs.

## Co-financing

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

## Secretariat Comment at PIF/Work Program Inclusion

Co-financing is lower than expected and private sector co-financing is especially lower than expected for this type of project that requires significant investment from them.

ES, 10/6/20: co-financing, including investment mobilized from the private sector, has been increased.

## Agency Response

### GEF Resource Availability

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

Secretariat Comment at PIF/Work Program Inclusion

Mercury funding seems high based on the associated GEBs.

ES, 10/6/2020: Table D is now in line with GEF policies.

Agency Response

**The STAR allocation?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**The LDCF under the principle of equitable access**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The SCCF (Adaptation or Technology Transfer)?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Focal area set-aside?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Impact Program Incentive?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Project Preparation Grant**

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Core indicators**

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

Secretariat Comment at PIF/Work Program Inclusion

An estimate of pure PCBs needs to be provided in 9.1 and the PCB containing waste estimate should be moved to 9.6.

ES, 10/6/2020: Please check 9.5. 3 tons seems low for the quantity of POPs/ mercury containing material and products that will be addressed in this project.

ES, 10/19/20: The tons of POPs/mercury containing material will be further refined during the PPG phase and is expected to increase.

Agency Response

UNDP Answer 10/9/20: indicator will be adjusted during the PPG Phase.

We agree with the statement of the GEF Sec and recognize that additional waste streams will in fact be addressed during the project. This includes but is not limited to: mercury containing medical devices, plastic containers used for pesticides, etc. in quantities that are likely to be above the initial target of 3 MT.

**Project/Program taxonomy**

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Part II – Project Justification**

**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?**

Secretariat Comment at PIF/Work Program Inclusion

It's not clear why this project is requesting additional funding for PCBs and why they were not addressed through the mechanisms set up in the previous PCB project.

ES, 10/6/2020: Justification has been provided.

Agency Response

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

Secretariat Comment at PIF/Work Program Inclusion



It's not clear why this project is requesting additional funding for PCBs and why they were not addressed through the mechanisms set up in the previous PCB project. Also it is not clear why inventories are needed in addition to the NIP update inventories.

ES, 10/6/2020: PCB justification has been provided.

Please check the numbering in paragraphs 28 and 29. The outputs seem to be mislabeled.

ES, 10/19/2020: Adjusted.

Agency Response

UNDP Answer 10/9/20: Adjusted.

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

Secretariat Comment at PIF/Work Program Inclusion

The general themes are.

Agency Response

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

Secretariat Comment at PIF/Work Program Inclusion

No, incremental reasoning is not clear.

ES, 10/6/2020: Yes, the incremental reasoning has been provided as per the guidelines.

Agency Response

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

Secretariat Comment at PIF/Work Program Inclusion

As mentioned above the core indicators need to be corrected.

ES, 10/19/20: The indicator is expected to increase during PPG.

Agency Response **UNDP Answer 10/9/20: indicator will be adjusted during the PPG Phase.**

**7. Is there potential for innovation, sustainability and scaling up in this project?**

Secretariat Comment at PIF/Work Program Inclusion

Information on these elements have been provided.

Agency Response

**Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

Secretariat Comment at PIF/Work Program Inclusion

Yes. Additional gender plans will be developed during the PPG.

Agency Response

**Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

Secretariat Comment at PIF/Work Program Inclusion

Yes, however the private sector support is lacking in the form of co-financing.

ES, 10/6/2020: private sector co-financing is now included.

## Agency Response

### Risks to Achieving Project Objectives

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

## Secretariat Comment at PIF/Work Program Inclusion

Climate risks are not provided.

ES, 10/6/2020: Climate risks still need to be included. When looking at the climate risks please consider the following key questions will be reviewed in accordance to STAP's guidance:

- i. Has the sensitivity to climate change, and its impacts, been assessed?
- ii. How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?
- iii. Have resilience practices and measures to address projected climate change and its impacts been considered? How will these be dealt with?
- iv. What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?

ES, 10/19/2020: Climate risks have been considered and will be further considered during PPG in terms of longer term impacts and extreme weather events.

## Agency Response

UNDP Answer 10/9/20: Mn assessment to climate change risks that could eventually affect operations of the project will be carried out during the PPG phase. Furthermore, the PPG phase will consider the selection of facilities and project sites that are not located in high-risk areas susceptible to floods, erosion or any extreme weather conditions.

The project is addressing different waste streams. In the case of PCBs, the horizon established under the Stockholm convention with its 2025 and 2028 targets are not expected to be affected by changes in the climate due to the short time frame. Similarly, the project will address the existing stocks of obsolete POPs pesticides that currently may be stored in a unsustainable manner.

In the case of the activities in the Health Care Waste Management sector, it is believed that the improved management of such waste streams will help increasing the resilience of such operations in the sector and at the same time will limit the risk of exposure of diseases, etc. from the waste streams.

### Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

NIP update and previously funded PCB project need to be better understood.

ES, 10/6/2020: This project should be coordinated and include KM from other UNDP funded projects on health care waste management, especially those dealing with COVID-19 or other infectious diseases such as Ebola.

ES, 10/19/2020: KM from other HCWM projects will be included.

### Agency Response

UNDP Answer 10/9/20: UNDP has been recognised as a key UN partner on addressing the environmental and hygiene challenges of Healthcare waste management (HCWM). This expertise has been developed throughout the years with projects funded by the GEF, the GFATM and bilateral – including in responses to epidemics such as Ebola. Project “Environmentally sound management of PCBs, Mercury and other toxic chemicals in Peru ” will build on existing capacities developed through UNDP’s response to Ebola, COVID-19 and HCWM.

There will be a close coordination with all existing UNDP activities (including with our partners) during the preparation and implementation of the project. Lessons learned and best practices will be taken into account during project design and implementation, and it is also expected that south-south collaboration will be pursued in the project.

#### **Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

#### **Knowledge Management**

**Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

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 PIF/Work Program Inclusion

Yes, ESS is addressed and included in the Annex.

Agency Response

### **Part III – Country Endorsements**

**Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

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 the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

Secretariat Comment at PIF/Work Program Inclusion

Not at this time. Several issues need to be clarified.

ES, 10/6/2020: Not at this time. Some issues need to be clarified.

ES, 10/22/2020: PPO has the following comments:

PIF to be returned to the Agency due to:

1- Portal is missing the Executing Agency - please ask the Agency to amend.

2- The total amount in the text (\$5,288,250) on the LoE doesn't match the amounts in table (\$5,338,125) – the correct amount is the one in the Table. Please ask the Agency to either (i) get an email from the OFP in which she confirms that the amount in text is (\$5,338,125) – then the email has to be uploaded in Portal in the section “Documents”; or (ii) to get an amended LoE (I believe the email is easier)

3- Core Indicators: Please ask the Agency to revise the target for indicator 11 to reflect the direct beneficiaries of the project. Based on the description (e.g. improved economics, job creation) this estimate includes broader definition of beneficiaries.

4- Co-financing:

- If these are state-owned hospitals, or the co-financing is mobilized through government initiative, please use category “Recipient country government”.
- If the private sector co-financiers have not yet been identified, please use “TBD” or provide indicative list of private sector partners rather than a description of activities.
- Please describe the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures". Current description is a collection of activities. For further details, please refer to the Co-Financing Guidelines ([http://www.thegef.org/sites/default/files/documents/Cofinancing\\_Guidelines.pdf](http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)).



5- Gender: while, the project elaborates on plans to carry out a gender assessment during the PPG stage, the PIF does not provide any indicative information on gender considerations relevant to the proposed activity. In addition, while there are no indications how this project will contribute to (a) closing gender gaps in access/control over resources and (b) generating socio-economic benefits or services for women, the PIF has ticked all 3 gender tags. Please ask UNDP to provide some additional information on gender dimensions related to the project and reassess the ticked gender tags.

6- Stakeholder Engagement: please ask the Agency to provide a description of the stakeholder consultations that took place with civil society organizations and private sector entities, as indicated in the Stakeholders section (#2). Please note that the GEF Policy on Stakeholder Engagement (Nov 2017) requires that that at PIF stage ‘Agencies provide a description of any consultations conducted during project development...’

ES, 11/3/2020: PPO comments below need to be addressed.

PIF to be returned to the Agency due to:

PPO reviewed the re-submission of ID 10419 – Peru. Comments 1 to 4 provided on October 21st (below) were addressed. However, comments on Gender and Stakeholder Engagement were not – see the observations below.

- On Gender: there is an elaboration in the review comment sheet on PPO comment on gender. This information is, however, not visible/included in the actual PIF in Portal. Please ask the Agency to amend in Portal.

- On Stakeholder Engagement: unfortunately, the Agency has not addressed the question of consultations with civil society and private sector entities - please ask the Agency to amend.

ES, 11/3/2020: PPO comments have been addressed. PIF is recommended for technical clearance.

#### **ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

Secretariat Comment at PIF/Work Program Inclusion



**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>10/21/2019</b>	
<b>Additional Review (as necessary)</b>	<b>10/6/2020</b>	
<b>Additional Review (as necessary)</b>	<b>10/22/2020</b>	
<b>Additional Review (as necessary)</b>	<b>11/3/2020</b>	
<b>Additional Review (as necessary)</b>	<b>11/3/2020</b>	

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**

This project will support the Stockholm Convention and Minamata Convention to minimize risk to Polychlorinated Biphenyl (PCBs), Mercury and other toxic chemicals exposure of human beings and environment through environmentally sound management in Peru. The project takes an innovative approach to addressing POPs pesticides by piloting pesticide prevention on the main Lima market of greengrocers. The project will also support COVID-19 recovering by applying best practice for hazardous and infectious medical waste. This project will also apply learning from UNDP's projects what addressed the Ebola outbreak. The project will result in a number of global environmental benefits, including 700 MT of POPs and mercury and 10 gTEQ POPs emissions.