



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

| | | | |
|---|---|---|------------|
| Project Title: Environmentally Sound Management and Destruction of PCBs in Mexico: Second Phase | | | |
| Country(ies): | Mexico | GEF Project ID: ¹ | 9214 |
| GEF Agency(ies): | UNDP (select) (select) | GEF Agency Project ID: | 5479 |
| Other Executing Partner(s): | SEMARNAT | Submission Date: | 2017-10-17 |
| GEF Focal Area (s): | Chemicals and Wastes | Project Duration (Months) | 60 |
| Integrated Approach Pilot | IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/> | Corporate Program: SGP <input type="checkbox"/> | |
| Name of Parent Program | [if applicable] | Agency Fee (\$) | 456,000 |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

| Focal Area Objectives/Programs | Focal Area Outcomes | Trust Fund | (in \$) | |
|--|---------------------|------------|-----------------------|--------------|
| | | | GEF Project Financing | Co-financing |
| (select) CW-2 Program 3 (select) | | GEFTF | 4,800,000 | 20,815,000 |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| (select) (select) (select) | | (select) | | |
| Total project costs | | | 4,800,000 | 20,815,000 |

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Minimize the risk of exposure from PCBs to humans and the environment, while promoting Mexico's timely compliance with the Stockholm Convention requirements for PCB management, including convention decommissioning and destruction provisions. The project will eliminate 5,000 MT of oils and PCB containing equipment.

| Project Components/ Programs | Financing Type ³ | Project Outcomes | Project Outputs | Trust Fund | (in \$) | |
|--|-----------------------------|---|--|------------|-----------------------|------------------------|
| | | | | | GEF Project Financing | Confirmed Co-financing |
| 1. Strengthening of market bases and of regulations enforcement for sustainable PCBs elimination | TA | 1.1. PCBs individual inventories obtained 1.2. Operating Unit for PCBs destruction | Output 1.1) Inventories ratified by sampling of Federal Electricity Company (CFE), private industry and public sensitive sites. Output 1.2) Private-Public (or similar) | GEFTF | 1,154,000 | 1,400,000 |

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

| | | | | | | |
|--|----|--|---|-------|-----------|------------|
| | | <p>established and operational</p> <p>1.3.Financing scheme developed, based on previous feasibility</p> <p>1.4 Strengthening of regulatory and enforcement framework</p> | <p>Mechanism for Integrated Services Management System for PCBs destruction established at national scale</p> <p>Output 1.3) Financing mechanism for PCBs elimination concept developed, assessed and tested</p> <p>Output 1.4) Enforcement Program of federal Standard 133 for PCBs sound management established</p> | | | |
| 2. Improvement of PCBs Management Services and Certification of PCBs Destruction Facilities | TA | <p>2.1. Existing decontamination and/or destruction facilities upgraded.</p> <p>2.2. Decontamination and/or destruction facilities certified</p> <p>2.3. Electrical Maintenance facilities certified</p> | <p>Output 2.1) Two existing facilities for PCBs elimination or management upgraded and certified</p> <p>Output 2.2) Two new facilities for PCBs elimination or management established and certified</p> <p>Output 2.3) One hundred Electrical Maintenance facilities certified</p> | GEFTF | 1,364,000 | 7,500,000 |
| 3. Destruction of an identified stock of PCBs | TA | 3.1 Elimination of PCB and PCB contaminated equipment | Output 3.1) 5,000 Metric Ton of PCBs contaminated materials from sensitive sites, industry and CFE (Mexican state-owned electric utility) eliminated, | GEFTF | 1,865,000 | 10,815,000 |
| 4. Capture lessons-learned, monitor project progress and provide adaptive feedback and evaluation. | TA | 4.1. Project results monitored and sustained, adaptive feedback and evaluation undertaken and results replicated | <p>Output 4.1) M&E and adaptive management applied in response to needs, mid-term and final evaluation findings with lessons learned extracted.</p> <p>Output 4.2) Results and best practices captured in knowledge management products and disseminated at national and international level.</p> | GEFTF | 180,000 | 600,000 |

| | | | | | | |
|---|----------|--|--|----------|------------------|-------------------|
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| Subtotal | | | | | 4,563,000 | 20,315,000 |
| Project Management Cost (PMC) ⁴ – Including up to 69,004 USD in Direct Project Costs | | | | GEFTF | 237,000 | 500,000 |
| Total project costs | | | | | 4,800,000 | 20,815,000 |

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

| Sources of Co-financing | Name of Co-financier | Type of Cofinancing | Amount (\$) |
|---------------------------|-------------------------------|---------------------|-------------------|
| Recipient Government | SEMARNAT | In-kind | 1,000,000 |
| Recipient Government | SEMARNAT | Grants | 13,000,000 |
| Private Sector | Sem Tredi, S.A de C.V. | Grants | 2,400,000 |
| Private Sector | Energy Solutions, S.A de C.V. | Grants | 2,000,000 |
| Private Sector | Delta Electric S.A de C.V. | Grants | 2,000,000 |
| Private Sector | GMT Laboratorios, S.A de C.V. | In-kind | 300,000 |
| Private Sector | CEMGI, S.A de C.V. | In-kind | 60,000 |
| GEF Agency | UNDP | In-kind | 55,000 |
| (select) | | (select) | |
| Total Co-financing | | | 20,815,000 |

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

| GEF Agency | Trust Fund | Country Name/Global | Focal Area | Programming of Funds | (in \$) | | |
|------------------------------|------------|---------------------|----------------------|------------------------|---------------------------|---|------------------|
| | | | | | GEF Project Financing (a) | Agency Fee ^{a)} (b) ² | Total (c)=a+b |
| UNDP | GEF TF | Mexico | Chemicals and Wastes | POPS | 4,800,000 | 456,000 | 5,256,000 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| Total Grant Resources | | | | | 4,800,000 | 456,000 | 5,256,000 |

a) Refer to the Fee Policy for GEF Partner Agencies

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

| Corporate Results | Replenishment Targets | Project Targets |
|---|--|--|
| 1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society | Improved management of landscapes and seascapes covering 300 million hectares | <i>hectares</i> |
| 2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes) | 120 million hectares under sustainable land management | <i>hectares</i> |
| 3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services | Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins; | <i>Number of freshwater basins</i> |
| | 20% of globally over-exploited fisheries (by volume) moved to more sustainable levels | <i>Percent of fisheries, by volume</i> |
| 4. Support to transformational shifts towards a low-emission and resilient development path | 750 million tons of CO _{2e} mitigated (include both direct and indirect) | <i>metric tons</i> |
| 5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern | Disposal of 80,000 tons of POPs (PCB, obsolete pesticides) | <i>5000 metric tons</i> |
| | Reduction of 1000 tons of Mercury | <i>metric tons</i> |
| | Phase-out of 303.44 tons of ODP (HCFC) | <i>ODP tons</i> |
| 6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks | Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries | <i>Number of Countries:</i> |
| | Functional environmental information systems are established to support decision-making in at least 10 countries | <i>Number of Countries:</i> |

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/CBIT Trust Fund) in Annex D.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

A.1. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and co-financing; 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed
N/A. No change since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex O to the UNDP-GEF Project Document).
For additional information kindly refer to the UNDP-GEF Project Document - Chapter I - Development Challenge.

2) The baseline scenario or any associated baseline projects
N/A. No changes since PIF

Kindly refer to PART II - Project Justification of the original PIF (See Annex O to the UNDP-GEF Project Document).
For additional information kindly refer to the UNDP-GEF Project Document - Chapter I - Development Challenge.

3) The proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project.

Kindly refer to the UNDP-GEF Project Document - Chapter IV: Results and Partnerships, Section i) Expected Results.

4) Incremental/additional costs reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and co-financing.

NA. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex O to the UNDP-GEF Project Document).
For additional information on the contributions from co-financing, kindly refer to the UNDP-GEF Project Document, Chapter IX - Financial Planning and Management, in particular "Parallel co-financing".

5) Global Environmental Benefits (GEFTF)

The Global Environmental Benefits (GEB) of the project will consist of the disposal of 5,000 ton of POPS (PCBs).

6) Innovativeness, sustainability and potential for scaling up.

N/A. No changes since PIF.

Kindly refer to PART II - Project Justification of the original PIF (See Annex O to the UNDP-GEF Project Document)
For additional information kindly refer to the UNDP-GEF Project Document - Chapter V - Feasibility - Section iv: Sustainability and scaling up.

A.2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

A.3. *Stakeholders*. Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes /no)? and indigenous peoples (yes /no)?⁸

Please refer

Please refer to the UNDP-GEF Project Document - Chapter IV: Results and Partnerships:

ii: Partnerships, including Table 1: Project stakeholders, their role and their assumptions

iii: Stakeholder Engagement, including Table 2: Type of intended project beneficiaries/target groups and ways in which the project will engage them

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving..

⁸ As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

These two sections and tables provide an overview of the key stakeholders identified during project preparation and how these key stakeholders will be engaged during project implementation.

A.4. Gender Equality and Women's Empowerment. Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes /no)?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes /no)?; and 3) what is the share of women and men direct beneficiaries (women X%, men X%)?⁹

Please also refer to the UNDP-GEF Project Document - Chapter VI: Results and Partnerships, subsection iv: Mainstreaming Gender.

A.5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Please refer to the UNDP-GEF Project Document - Chapter V: Feasibility - Subsection Risk Management - Table X. Project risks, which summarizes all the risks identified that might prevent the project objectives from being achieved, as well as presents the proposed mitigation measures that will address these risks at the time of project implementation.

A.6. Institutional Arrangement and Coordination. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The institutional arrangements agreed upon with the Government of México and in particular the Ministry of Environment and Natural Resources of Mexico (SEMARNAT) (Implementing Partner for this project), have been described in detail in the UNDP-GEF Project Document - Chapter VIII: Governance and Management Arrangement.

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

Reduced exposure to harmful chemicals that impact human health at local, regional and global level. Impact on human health can result in a diminished life-quality due to sickness and malformation of affected individuals.

Projects that seek to reduce / minimize exposure of POPs to humans and the environment helps minimize impacts at local, regional and global level and support socio-economic benefits, such as health, low healthcare costs, ability to work, among others. To achieve this, the project will support the elimination of 5,000 mt of PCB containing equipment.

Overall the project seeks to reduce exposure for 1,000 workers in maintenance facilities and benefit 500,000 people from sensitive sites with potential contact with contaminated transformers. The release of POPs have a negative impact on the environment which in turn impacts economic activities which are reliant on the use of natural resources.

The project aims to reduce the release of PCBs to the environment thus safeguarding the environment from exposure to such chemicals, minimizing negative economic impacts. Moreover, the Project will promote the installation of a PCB elimination platform that will result in new job creation.

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-

⁹ Same as footnote 8 above.

friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

The project will establish a Knowledge Management system.

The knowledge management system will be implemented in order to establish the operation for the years to follow and operate without GEF financial support. In particular the Private-Public (or similar) Mechanism for Integrated Services Management System for PCBs destruction at national scale will be established as an almost on-line reporting activity, since the Service is going to be operated as “business”, and financial and strategical results will be of high importance, thus accelerating the “learning curve”. There will be a need of a close follow-up of project development and achievements. By the end of the project, there will be estimated over 20,000 ton yet to be destroyed in only 6 years left to the 2028 goal; lessons will then be tried to be shared as said, with countries of the LAC region in as dynamic a way as possible. Annual workshops will be organized to create awareness, request feedback, and allow for networking among stakeholders during the project and also with other countries in the LAC region.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.:

The information provided below is almost entirely the same as taken up in the original PIF, as the consistency of the Project with National Priorities has not changed since PIF submission:

The project is consistent with the objectives and action plans identified by National Implementation Plan (NIP) on POPs in Mexico (GEF/World Bank Project #2187 - Enabling Activities to Help Mexico Comply with the Stockholm Convention on Persistent Organic Pollutants (POPs));

Mexico has signed and ratified the Stockholm Convention on Persistent Organic Pollutants, and is obliged to phase out of use all PCBs by 2025 and dispose of all known stocks by 2028. The project will put Mexico on the right track to achieving that target.

C. DESCRIBE THE BUDGETED M & E PLAN: Please refer to the UNDP-GEF Project Document - Chapter VII: Monitoring & Evaluation (M&E) Plan, including Table XX. Mandatory GEF M&E requirements & M&E Budget, which describe in full the budgetted M&E Plan.

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

| Agency Coordinator, Agency Name | Signature | Date (MM/dd/yyyy) | Project Contact Person | Telephone | Email Address |
|--|------------------|------------------------------|-------------------------------|------------------|-------------------------|
| Adriana Dinu Executive Coordinator UNDP-GEF | | 10/16/2017 | Kasper Koefoed- Hansen | +507 302 4573 | kasper.koefoed@undp.org |
| | | | | | |

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
GEF6 CEO Endorsement /Approval Template-August2016

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).
Please refer to the UNDP-GEF Project Document - Chapter VI: Project Results Framework.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Please refer to the UNDP-GEF Project Document - Annex X: GEF SEC and STAP comments, in which GEF SEC and STAP comments have been responded to

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹¹

A. Provide detailed funding amount of the PPG activities financing status in the table below:

| PPG Grant Approved at PIF: 100,000 | | | |
|---|---|------------------------------------|--------------------------------|
| <i>Project Preparation Activities Implemented</i> | <i>GETF/LDCF/SCCF/CBIT Amount (\$)</i> | | |
| | <i>Budgeted Amount</i> | <i>Amount Spent To date</i> | <i>Amount Committed</i> |
| Definition of needs and strategies for the implementation of a national Integrated Services Management System (ISMS) for PCBs destruction | 17,500 | 17,500 | |
| Dfinition of best practices for destruction and maintenance services and Certifications | 19,500 | 19,500 | |
| Definition of strategies for the destruction of PCBs stocks | 18,000 | 18,000 | |
| Development of the Management Arrangements Strategy and M&E schemes | 10,000 | 9,000 | |
| Preparation of ProDoc and Annexes | 25,000 | 16,453 | 9,547 |
| Stakeholder consultation | 10,000 | 5,650 | 4,350 |
| | | | |
| | | | |
| Total | 100,000 | 86,103 | 13,897 |

¹¹ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)