PROJECT IDENTIFICATION FORM (PIF) [1]
PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND:GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Integrated PCB Management in Costa Rica		
Country(ies):	Costa Rica	GEF Project ID:[2]	4485
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	4092
Other Executing Partner(s):		Submission Date:	2011-04-11
GEF Focal Area (s):	Persistent Organic Pollutants	Project Duration(Months)	48
Name of parent program (if applicable): ➢ For SFM/REDD+ ☐		Agency Fee ($):	200,000

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) ($)	Indicative Cofinancing ($)
(select) CHEM-1	1.4 POPs waste prevented, managed and disposed of	Indicator 1.4.1: Amount of PCBs and PCB-related wastes disposed of, or decontaminated; measured in tons as recorded in the POPs tracking tool	1,650,000	7,440,000
(select) CHEM-1	1.5 Country capacity built to effectively phase out and reduce releases of POPs	Indicator 1.5.2: Progress in developing and implementing a legislative and regulatory framework for environmentally sound management of POPs, and for the sound management of chemicals in general, as recorded through the POPs tracking tool	120,000	140,000
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				

[1] It is very important to consult the PIF preparation guidelines when completing this template.
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.

(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)	Others			
Project management cost[4]			160,000	160,000
Total project costs			1,930,000	7,740,000

[4] GEF will finance management cost that is solely linked to GEF financing of the project.

B. PROJECT FRAMEWORK

Project Objective: Minimize risks of exposure from PCBs to people and the environment in Costa Rica					
Project Component	**Grant Type (TA/INV)**	**Expected Outcomes**	**Expected Outputs**	**Indicative Financing from relevant TF (GEF/LDCF/SCCF) ($)**	**Indicative Cofinancing ($)**
1. Strengthened Institutional Capacity in Costa Rica for the environmentally sound management of PCBs	TA	A Strengthened legal framework adopted	A1 PCB legislation reviewed and updated A2 Norms and regulations for the environmentally sound management of PCBs developed and adopted	120,000	120,000
		B Enhanced enforcement capacity	B1 Current enforcement structures assessed B2 A team of 4 inspectors trained		
		C Improved institutional capacity to report on PCBs to Stockholm Convention Secretariat	C1 Improved national PCB inventory C2 Tracking system for PCBs developed		
2. Environmentally sound management and interim storage of PCBs	TA	D Improved PCB management practices implemented	D1 Technical standards for management of PCB equipment established D2 Safety standards developed D3 Trainers trained on Best Practices for PCB Management	500,000	2,500,000
		E Adequate centralized PCB interim storage established and operationalized	E1 Design of PCB interim storage finalized E2 Environmental Impact Assessment		

			conducted E3 Administrative and fee structure for the use of the PCB interim storage established E4 Interim storage constructed E5 Technical and safety standards for interim storage developed, disseminated and applied to storage facility operations		
3. Environmentally sound destruction of PCBs and management of contaminated equipment	TA	F Environmentally sound destruction of PCBs	F1 PCB export scheme created F2 Coordination mechanism among PCB holders and government established F3 Replacement equipment procured F4 Environmentally sound destruction of 1350 tons of PCB liquids and solids (> 50 ppm) F5 Feasibility study on equipment decontamination using a Public Private Partnership modality undertaken F6 Feasibility study to assess if PCB contaminated oils (<5,000 ppm) can be destroyed locally where ODS would be	1,100,000	4,910,000

			destroyed.		
4. Awareness raising and communication.	TA	G Improved awareness among stakeholders	G1 Awareness raising strategy developed and implemented G2 Communication strategy launched	50,000	50,000
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
Project management Cost[5]				160,000	160,000
Total project costs				1,930,000	7,740,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount ($)
National Government	MINAET	In-kind	125,000
National Government	Project Government Contribution (Electrical Generators, Distribution Companies and other investors). Co-financing arrangements will be further elaborated upon during the project's PPG phase.	Grant	3,810,000
National Government	Project Government Contribution (Electrical Generators, Distribution companies and other investors like cooperatives, etc.)	In-kind	2,500,000
GEF Agency	UNDP	Grant	15,000
Private Sector	Public Private Partnership for the transfer station	Grant	1,270,000
GEF Agency	UNDP	In-kind	20,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			7,740,000

[5] Same as footnote #3.

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b)[2]	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				0	0	0

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 THE GEF FOCAL AREA STRATEGIES:

The proposed project and its activities are consistent with the GEF-5 Chemicals Results Framework's main goal "*to promote the sound management of chemicals throughout their life-cycle in ways that lead to the minimizations of significant adverse effects on human health and the global environment.*" In particular, the proposed project will contribute to Objective 1 "*Phase Out POPs and Reduce POPs Releases*" through the following interventions:

Relevant GEF-5 Strategy Indicator	**Project's contribution**
Outcome 1.4: POPs waste prevented, managed and disposed of	
Indicator 1.4.1 Amount of PCBs and PCB-related wastes disposed of, or decontaminated; measured in tons as recorded in the POPs tracking tool.	**Project Component 2**: "*Environmentally sound management of PCBs and interim PCB storage"* will lead to improved PCB management practices and the establishment and operation of an adequate centralized PCB (interim) storage facility in the country. This will be achieved through: (i) establishment of technical standards for management of PCB containing equipment; (ii) development of safety standards; (iii) BAP training-of-trainers for PCB management; (iv) design of interim PCB storage facility; (v) conducting an Environmental Impact Assessment; (vi) establishment of an administrative- and tariff- structure for the use of the storage facility; (vii) construction of storage facility; (viii) development and operationalization of technical- and safety standards for PCB storage. **Project Component 3**: "*Environmentally sound destruction of PCBs and management of contaminated equipment*" will achieve the destruction of 1350 tons of PCB liquids and solids (> 50 ppm) and remove existing barriers to achieve favorable conditions for the environmentally sound disposal of PCBs to be disposed of as part of the project as well as remaining PCBs. This will be achieved through: (i) creation of an export scheme for PCBs; (ii) establishment of a coordination mechanism between PCB holders and government entities; (iii) procurement of equipment which will replace PCB containing equipment; and (iv) a feasibility study on equipment decontamination through Public Private Partnerships. **Project Component 4**: "*Awareness raising and communication*" will achieve improved awareness among stakeholders through the development and implementation of an awareness raising strategy and its subsequent launch and implementation.
Outcome 1.5: Country capacity built to effectively phase out and reduce releases of POPs	
Indicator 1.5.2 Progress in developing and implementing a legislative and regulatory framework for environmentally sound management of POPs, and for the sound management of chemicals in general, as recorded through the POPs tracking tool.	**Project Component 1**: "*Strengthened Institutional Capacity in Costa Rica for the environmentally sound management of PCBs"* will strengthen the national legal and regulatory framework, enhance enforcement capacity and improve institutional capacity to manage PCBs and report to the Stockholm Convention Secretariat on status and progress pertaining to PCBs and POPs management.

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES: N.A.

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPS, NPFE, ETC.:

Costa Rica signed the Stockholm Convention on Persistent Organic Pollutants on 16 April 2002 and ratified it on 6 February 2007. Costa Rica identified the environmentally sound management and destruction of PCBs as one of its six national priorities pertaining to the management of POPs and as such PCB management was reflected as priority no. 3 in its National Implementation Plan (prepared with technical assistance provided by UNEP and funding provided by the GEF), which was submitted to the Stockholm Secretariat on 5 April 2009.

Costa Rica's NIP indicated national objectives (as included in its Action Plan) concerning PCB management as follows:

Objective 3: *To prevent and decrease pollution, environmental- and health- problems caused by electrical equipment and oils containing PCBs in the country, eliminating PCBs stocks in a safe and adequate manner and identifying PCB contaminated areas.*

Proposed short term (present to 5 years) POPs Action Plan:

1. Develop and update legislation with clear norms for the adequate PCB management and related residues.
2. Develop action plans and protocols for the operation and elimination of equipment containing PCBs according to norms/regulations.
3. Establish a temporary storage infrastructure.
4. Train and inform.
5. Strengthen analytical capacity.
6. Provide adequate final disposal for equipment containing PCBs.

The proposed project "*Integrated PCB Management in Costa Rica*" will address all the above actions to achieve the sound management and disposal of PCBs.

Costa Rica's 2008 *National Chemicals Profile* (prepared with technical assistance provided by UNITAR and funding provided by the SAICM QSP TF) identified challenges the country faces with respect to the sound management of chemicals. Challenges that are relevant to the management of PCBs and which are to be addressed by the proposed project are:

- Availability of appropriate chemical storage facilities. Currently Costa Rica has no specific (interim) storage facilities for hazardous chemicals other than hydrocarbons, posing a direct threat to the environment and human health.
- Limited national knowledge and awareness on the life cycle of chemicals, chemical risks, chemicals management and their control.
- Lack of information on production, import, export, storage, transport, use and disposal of chemicals. There exists a clear need to improve statistics and record keeping.

The Ministry of Environment, Energy and Telecommunications – MINAET, created a Technical Secretariat for the coordination of chemicals management in June 2006, which has been working to establish synergies between various national bodies dealing with chemicals and their management. The

Secretariat is responsible for all chemical-related conventions (Montreal Protocol, the Stockholm-, Basel-, and Rotterdam- Convention) and as such serves as the institutional coordinating mechanism for the Sound Management of Chemicals within Government of Costa Rica. The proposed project will serve to further strengthen foundational capacities for chemicals management within the country and the secretariat and provide a valuable means by which to link the PCB work to Costa Rica's broader national chemicals management agenda. This, in turn, will serve to support the GEF's strategic aim to promote the sound management of chemicals for the protection of human health and the environment, and to contribute to the overall objective of the Strategic Approach to International Chemicals Management (SAICM).

Costa Rica's 2006-2010 plan entitled "Hacia la Costa Rica Desarrollada del Bicentenario" ["Toward a developed Costa Rica for the bicentennial"] recommends interventions in eight priorities "*The environmental challenge of 2021: Public policies to promote sustainable development*":

- Clean water for all: The first priority for 2006-2021
- Energy: Yes to finding a balance between development and conservation
- Forestry Sector: Yes to a country that develops green
- Coastal and marine resources: Yes to turning eyes to the sea
- Yes to improve air quality
- Yes to upgrading the environmental and MINAET sector to meet the challenges of the 21st century
- Protected Areas: Yes to the conservation and distribution of wealth
- Yes to a national effort to land use and responsible management solid waste

After several attempts to waste management that have only been partially successful, the Costa Rica administration is eager to move toward comprehensive and long-term interventions, which combine appropriate policy and regulatory instruments, with clever use of economic incentives. This will require formulation and implementation of a comprehensive Waste Management Plan at national- and local-levels and adapting the existing WM legal framework.

The proposed PCB management and disposal project will contribute to national priorities as identified in Costa Rica's 2006-2010 plan through i) Protection of water resources, as well as coastal and marine resources, from the threats posed by PCBs; ii) Strengthening of MINAET and the environmental sector through capacity building for the environmentally sound management and disposal of PCBs and the sound management of chemicals more broadly; and, iii) Improving waste management practices through strengthening of the legal, administrative and regulatory framework for the sound management of PCBs.

B. PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

The importation of PCBs to Costa Rica has been banned since 2001. Costa Rica has in the past years undertaken a partial preliminary inventory of PCBs that was improved during the development of the NIP. The best estimate, using available information, indicates that Costa Rica has in total approximately 4,000 tons of equipment containing PCBs or contaminated with PCBs as well as 1,500 tons of liquids (> 50 ppm). In the past Costa Rica has exported 56 tons of PCB waste for destruction, and has therefore only destroyed a minor part of their PCBs inventory. Currently an approximate 120.000 transformers and capacitors are currently in use in Costa Rica.

Particularly with respect to norms and regulations for storage, transport, and destruction of PCBs (liquids and solids), Costa Rica's legislation with respect to PCBs need further strengthening. The Government of Costa Rica has very limited capacity to carry out PCB inspections and control potentially PCB contaminated areas. As such the Government depends entirely on information provided by electricity

distribution companies. No mechanism is currently in place to verify and check the quality of the data and information received.

The Costa Rican Electricity Company (ICE) is the main utility and electricity distribution company in Costa Rica. It covers approximately 85 % of the national territory and a similar portion of the population. ICE has by law a national responsibility to assist the companies that cover the remaining part of the national territory. All utility and electrical distribution companies in Costa Rica are coordinated by the Energy Sector Division which is part of the Ministry of Environment and Energy (MINAET).

Costa Rica has improved its national partial inventory in the period 2004-2007. Of the 120,000 pieces of electrical equipment (transformers and capacitors) in Costa Rica, about 14.500 pieces have been tested using the clor-n-oil kits. Preliminary data indicates that 18-20 percent of tested equipment contain or are contaminated with PCBs (> 50 ppm)[6]. It is normal practice in ICE (and some of the other companies) to test decommissioned transformers and equipment that is undergoing maintenance.

There are two laboratories in Costa Rica that have the capacity to analyze PCBs. ICE is in the process of upgrading and certifying its current laboratory, and the National University in Heredia has a certified laboratory. In general, there seems to be sufficient and adequate laboratory capacity available within the country to handle with the PCB challenges which Costa Rica is facing.

The remaining part of the electricity and distribution sector in Costa Rica (non-ICE group) has not been able to advance their work with respect to PCB identification and the sound management of PCBs to the same extent as ICE has been able to do. This has generally been due to their limited size and technical- and financial- resource limitations.

As part of the NIP process, the PCB working group, which also contained the ICE team in charge of PCB management, identified several barriers to the environmentally sound management and destruction of PCBs in Costa Rica:

- Lack of financial resources
- Limited analytical capacity (would be addressed with the upgrade of the ICE laboratory)
- Lack of physical infrastructure for the environmentally sound management of PCBs.
- Lack of technical knowledge on sound PCB management practices
- High costs associated with the identification of remaining PCBs.
- Resistance against the development of a PCB Management/disposal legislative framework resulting in a long and time consuming process.

The proposed project will address the above identified barriers through the following components:

The project will strengthen the Costa Rica's institutional capacity pertaining to the sound management of PCBs. This will include strengthening of its legal framework and enhancing the Government's enforcement capacity. The initially conducted (but limited) PCB inventory will be further refined and a PCB tracking system will be developed and put in place.

The project will develop and adopt norms and regulations for transport, storage, maintenance, labeling, testing, destruction, etc. of PCB containing oil and equipment in Costa Rica, additionally safety standards will be developed. Combined with technical assistance, these measures will result in the implementation of improved PCB management practices in Costa Rica.

[6] ICE is currently analyzing all the samples from the equipments that were tested positive. Preliminary results indicate the PCB contamination in several cases was below 50 ppm suggesting that the simple PBC kits are not completely reliable.

The main part of the project will entail the establishment of an integrated PCB management system which allows electricity generating companies or private enterprises of any size to eliminate their transformers and oils at the lowest possible cost, PCB contaminated or not. The project would facilitate the establishment of a transfer station which will test all transformers received for PCB content. If equipment and/or oil is indicated to contain more than 50 ppm of PCBs, the transformer will be dismantled, decontaminated and the oils sent to an international facility for safe disposal or destroyed locally if the feasibility study to destroy oils with low (<5,000 ppm) concentration of PCBs. Costa Rica is currently in the process of adapting a cement kiln to be able to destroy ODS waste and the feasibility study would examine if the PCB contaminated oils could be destroyed in the same plant.

Transformers and capacitors that contain high concentration PCBs would be exported for safe disposal. PCB contaminated transformers will be dismantled and washed at the transfer station allowing for safe recycling, while PCB oils would be packed for safe temporary storage and transportation for final disposal at an appropriate facility abroad. The recycling of metals (particularly copper) would contribute towards achievement of the economical sustainability of the transfer station. In the future, the transfer station could also be used for other hazardous wastes, benefitting from the economies of scale when larger volumes of hazardous wastes are handled. The transfer system will be developed in such a manner that it will allow any PCB-containing equipment owner to dispose of it at a reasonable cost, creating a safe place where small and large generators can send transformers. At the facility, transformers would be accepted though a separate pre-treatment line specifically designed for PCB transformers which will also allow Costa Rica reduce the number of occasions when transformers are send abroad for recycling without information on PCB contamination levels.

The project would dispose of 1.350 tons of PCB liquids and equipment that are part of Costa Rica's national inventory.

In addition, a feasibility study would be carried out to assess the technical and economical opportunities of establishing a Public-Private Partnership for the decontamination of equipment and recycling of materials.

Finally, an active awareness raising and communication strategy would be implemented to facilitate and support the achievement of the project objectives.

Additional information will be gathered during the Project Preparation Phase.

B. 2. INCREMENTAL /ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT:

i) Reasoning on why incremental /additional activities are appropriate/necessary to address the identified causes and issues:

-

As described in section B.1., PCBs in Costa Rica are currently not managed or disposed of in an environmentally sound manner. Most stakeholders involved in the handling of PCBs are not aware of the risks involved and how to mitigate them. Decommissioned transformers are either stored at inadequate facilities or sold to the highest bidder without proper testing to determine PCB contamination levels.

At national level the existing legal framework, its guidelines and standards need further development to guide companies (particularly smaller distribution companies that have insufficient capacity to properly manage their PCBs) in following safe PCB management and handling practices. In addition Costa Rica

does not have any facilities for the safe (interim) storage and/or environmentally sound disposal of PCBs. As such, current conditions in Costa Rica to manage and eliminate PCBs in an environmentally safe and organized manner can be considered as 'non-existent'.

These conditions are very unlikely to change without funding from the Global Environment Facility (GEF). It will be necessary to implement and integrated approach to PCB management and disposal in order to face the issues indicated in section B.1. and to strengthen the capacity of authorities and stakeholders in handling PCBs throughout their entire life cycle.

In a *Business-As-Usual* scenario, Costa Rica would be unable to comply with the Stockholm Convention with respect to the management and disposal of PCBs and as a consequence those involved in the handling of PCBs, communities living close to PCB contaminated areas as well as the global environment will remain at risk from PCB exposure.

The incremental activities proposed by the project will address previously identified barriers and establish an integrated systematic approach to the environmentally sound management and destruction of PCBs. This approach will be supported by law and made possible through the strengthening of the local technical and institutional capacity and the establishment of a centralized system for PCB management, interim storage and transportation preparation for disposal abroad to reduce handling costs.

This project will provide for a solution toward the sound disposal of all transformers in the country and guarantee the safe management of transformers that contain or are contaminated with PCBs and their corresponding oils. The proposed project will ensure compliance with the Stockholm Convention commitments on PCBs in a way that environmental and health risks are properly managed.

ii) Demonstration on the cost-effectiveness, including through an assessment of the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits.

This project aims to destroy at least 1,350 tons of PCB contaminated liquids and solids. The cost efficiency in terms of GEF grant would therefore be ~1.48 US$/kg PCB liquid destroyed. In addition, the project will undertake a feasibility study to assess the technical and economical opportunities of establishing a Public-Private Partnership for the decontamination of equipment and recycling of materials. Such a PPP could potentially further decrease decontamination costs, allowing the project to decontaminate equipment and dispose of additional PCBs and thus further increase the cost effectiveness in terms of destroyed PCBs (liquids and solids) in relation to the GEF grant.

iii) Explanations on why such activities are complementary (incremental/additional reasoning).

The proposed project will build upon the efforts the country has undertaken to date to improve its capacity to effectively and soundly manage PCBs. For instance, it will help strengthen an existing regulatory and legislative framework on chemicals in particular with respect to norms and regulations for storage, transport, and destruction of PCBs (liquids and solids) and support the Government in enhancing its enforcement capacity.

The initially conducted (but limited) PCB inventory will be further refined and a PCB tracking system will be developed and put in place. The project will further strengthen existing institutions and laboratories involved in PCB testing (laboratories of ICE and Heredia National University).

In the past the country has exported 56 tons of PCB waste for destruction, and has therefore only destroyed a minor part of its PCB inventory. The proposed project will achieve the disposal of 25 percent of Costa Rica's current inventory and create the enabling environment for the country and PCB holders to dispose of their remaining inventory in a cost effective and safe manner.

iv) Explanations of how the activities of the GEF/LDCF/SCCF projects will be replicated and catalyzed in the future; how will the positive effects of the project be maximized.

This project would allow Costa Rica to strengthen its position as a regional reference point in Central America for environmentally sound management of PCBs, and in the future its experience and lessons-learned is expected to benefit other countries in the region as they are likely to face similar issues related to the environmental sound management and disposal of PCBs, therefore GEF funding is expected to contribute to strengthening PCB management and disposal practices beyond Costa Rica.

v) Elaboration on why the funding level of each activity is considered to be appropriate.

In Argentina, Brazil, Mexico and Uruguay a very similar methodology has been applied, which was received with great enthusiasm by both power companies and PCB holding entities. After the necessary conditions had been created at national level, PCB holders were able to advance independently with disposal activities. Afterwards, they indicated that they found it much easier to undertake such endeavors where necessary conditions were in place and standards had been clearly defined. The project in Costa Rica is comparative to these initiatives and its funding level is proportional to the level of operation considering local conditions.

vi) Estimation of the global environmental/adaptation benefits of the project, including applied assumptions and methodologies.

The proposed project's environmental benefits are concrete and measureable. The project would ensure that a significant quantity of PCBs (1,350 tons of PCBs) would be destroyed that would otherwise enter the global environment (global cycling). The project will create an enabling environment that will facilitate the destruction of the PCBs at the lowest possible cost as part of the proposed project but which will also facilitate the total elimination of PCBs present in the country as per the Stockholm Convention's established calendar.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS(GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ MAINSTREAMING GENDER AT THE GEF.":

Economic Benefits: As described in section B.2., the project will undertake a feasibility study to assess the technical and economical opportunities of undertaking the decontamination of equipment and recycling of materials using a Public-Private Partnership modality.

In addition the recycling of metals (particularly copper) would contribute towards achievement of the economical sustainability of the transfer station. In the future, the transfer station could also be used for other hazardous wastes, benefitting from the economies of scale when larger volumes of hazardous wastes are handled.

The transfer system will be developed in such a manner that it will allow any PCB-containing equipment owner to dispose of it at a reasonable cost, creating a safe place where small and large generators can send transformers. At the facility, transformers would be accepted though a separate pre-treatment line specifically designed for PCB transformers which will also allow Costa Rica reduce the number of occasions when transformers are send abroad for recycling without information on PCB contamination levels.

The proposed project will achieve the disposal of 25 percent of Costa Rica's current inventory and create the enabling environment for the country and PCB holders to dispose of their remaining inventory in a cost effective and safe manner.

Gender Dimensions: Efforts to ensure the Sound Management of Chemicals, including Persistent Organic Pollutants (POPs), have important gender dimensions. In daily life, men, women, and children are exposed to different kinds of chemicals in varying concentrations. Biological factors — notably size and physiological differences between women and men and between adults and children — influence susceptibility to health damage from exposure to toxic chemicals. Social factors, primarily gender-determined occupational roles, also have an impact on the level and frequency of exposure to toxic chemicals, the kinds of chemicals encountered, and the resulting impacts on human health.

Often, gender dimensions are considered to be 'women affairs', however UNDP considers "gender" to refers to the socially constructed rather than biologically determined roles of men and women (and children) as well as the relationships between them in a given society at a specific time and place.

With respect to the management and disposal of PCBs, it can safely be assumed that in Costa Rica the majority of PCB handlers such as workers employed by electricity generation and distribution companies, maintenance companies, junkyards and recycling plants, large consumers and industries, retail consumers and industrial users among others, are men. On the other hand, women and children, who spent most time within their communities, might be at greatest risk from close proximity to PCB contaminated areas.

These gender dimensions will need to be reflected at both project and policy-level interventions pertaining to the sound management of chemicals in general and the sound management of PCBs in particular. Therefore, the PPG phase of the project anticipates to assess fully the gender aspects of the management of PCBs and their disposal. The participation, representation and buy-in of vulnerable worker populations and local communities in the project's formulation and the incorporation of gender dimentions into project activities will be explored as per the "*UNDP Technical Guide on mainstreaming SMC*" and the UNDP guidance note on "*The why and how of mainstreaming gender in chemicals management*".

B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

Risk		**Risk mitigation measures**
Resistance among PCB holders against approval of new norms and regulations for PCB management.	L	Active awareness raising campaign that will demonstrate the long-term economical and environmental benefits when PCBs and PCB contaminated equipment are managed in a sound manner.
Resistance of local communities against the establishment of a hazardous waste transfer station.	M	- Undertake an Environmental Impact Assessment. - Assurance that BEP/BAT are applied and followed through throughout the construction and daily operation of the facility. - Active participatory communication strategy.
Insufficient financial resources available for the sound management and destruction of PCBs.	L	Awareness raising among decision makers and managers of electricity distribution companies on the legal obligations Costa Rica has assumed under the Stockholm Convention.
Overall Risk Rating	L	

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

A full assessement of all relevant stakeholders that are be involved in the project's development and implementation will be undertaken as part of the PPG phase, which will include a detailed mapping of actors who have an interest in or a role to play in the sound management and disposal of PCBs in particular and the sound management of chemicals in general.

At this stage the project proposal considers key stakeholders to be (list not exhaustive):

- **Government Ministries** such as the Ministry of Environment, Energy - MINAET, Ministry of Agriculture and Livestock - MAG, Ministry of Labor and Social Security - MTSS, Ministry of Health – MINSALUD, Ministry of Finance and National Planning - MIDEPLAN as well as other ministries involved with aspects of POPs and chemicals management or whose activities have a significant impact on the sound management of chemicals (natural resources, women affairs, education, defense, etc.).
- **National institutions and laboratories** such as the Customs Laboratory, ICE laboratory, Cleaner Production Center, University of Costa Rica - UCR, the National University - IRET, Costa Rica Technical Institute as well as other universities and vocational training institutions.
- **Private sector**: Entities involved in generating private and public electricity, construction, maintenance and operation of transmission infrastructure (Costa Rican Electricity Company – ICE) and the delivery of energy to end-consumers by distributing companies (e.g. Coopelesca, CoopeGuanacaste, CoopeSantos, Coope Alfaro Ruiz, Empresa de Servicios Públicos de Heredia (ESPH), Junta Administradora de los Servicios Eléctricos de Cartago, Instituto Costarricense de Electricidad and Compañía Nacional de Fuerza y Luz) as well as stakeholders involved in the handling of PCBs (maintenance companies, junkyards and recycling plants, large consumers and industries, retail consumers and industrial users among others) as well as companies interested in investing in PCB disposal technologies and/or facilities.
- **Industry associations:** Such as the Costa Rican Chamber of Industries and others to be identified.
- **NGOs and CSOs**: Representing the rights and voices of poor communities affected by inadequate PCB management and disposal, such as those communities living close to or are being affected by PCB contaminated sites, as well as NGOs advocating for environmental management and the dangers of improper chemicals management.
- **Workers unions/representative groups**: Representing workers handling/amintaining PCB containing equipment (e.g. maintenance companies, junkyards and recycling plants), workers dealing with waste management and disposal (transporters, traders, scavengers, collectors, sellers) and government personel involved in the enforcement of health and POPs related regulations (police, customs control staff and other authorities).

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

This project will serve to strengthen foundational capacities for chemicals management within the country and provide a valuable means by which to link the PCB work to Costa Rica's broader national chemicals management agenda. This, in turn, will serve to support the GEF's strategic aim to promote the sound

management of chemicals, as well as the objectives of the Strategic Approach to International Chemicals Management (SAICM).

The proposed project will build upon the efforts undertaken by Costa Rica during the development of its partial PCB inventory for the ICE Group in 2004 (Sustainable Development Agreement financed by the Government of The Netherlands in partnership with Costa Rica, Benin and Bhutan). The analytical and statistical estimation was completed during the development of the National Implementation Plan finalized with Technical Assistance provided by UNEP and funding provided by the GEF.

The project will also build upon a regional project for Central America in which Costa Rica participated: "*Preparation of National Inventories and National Plans for the Environmentally Sound Management of PCBs and PCB-containing Equipment in Central America*" implemented by the Basel Convention's Coordinating Centre for Training and Technology Transfer for Latin America and the Caribbean region (BCCC-Uruguay), Montevideo. In Costa Rica this particular project helped to strengthen the capacities of cooperatives and municipality companies (not belong to the ICE group) in charge of electricity generation to undertake inventories.

From a broader chemicals management perspective, and in order to encourage regional cooperation in support of Stockholm Convention objectives through dissemination of lessons learned and experiences gained during project preparation and execution, this project will be planning its activities in close coordination with similar PCB projects that have been or are being implemented by UNDP in Argentina, Brazil, Mexico and Uruguay. These projects are:

- Argentina: *Environmentally Sound Management and Disposal of PCBs in Argentina*, *GEF Grant*: US$ 3,400,000
- Brazil: *Establishment of PCB Waste Management and Disposal System*, GEF Grant: US$ 4,733,000
- Mexico: *Environmentally Sound Management and Destruction of PCBs*, GEF Grant: US$ 4,630,000
- Uruguay: *Development of the National Capacities for the Environmental Sound Management of PCBs in Uruguay*, GEF Grant: US$ 954,550

In addition, experiences from countries in other regions (Ghana, Kazakhstan, Kyrgyzstan, Latvia, Morocco and Slovak Republic) where UNDP also supports the sound management and disposal of PCBs will also be contributing to the implementation of the proposed Costa Rica project.

Regarding national activities related to the sound management of POPs as well as Chemicals and Ozone Depleting substances, the below list of initiatives are expected to provide useful information, lessons-learned or a good policy/regulatory foundation for the components to be carried out under the proposed project. Coordination with the executing agencies/entities will be ensured. As part of the PPG phase, a full description of on-going and planned activities that are beneficial/complementary to this project will be elaborated:

- Nat. Government - *Design and implementation of National Information System for the Integral Management of Chemical Substances in Costa Rica,* SAICM QSP TF Grant: US$ 250,000.
- UNEP (regional) - *Reducing Pesticide Run-off to the Caribbean Sea*, GEF Grant: US$ 4,290,000
- UNDP – Support to the Government of Costa Rica in meeting its obligations under the Montreal Protocol (through e.g. *Institutional Strengthening*, *HCFC Survey and Inventory, Refrigeration, MeBr Phase-Out*, etc)

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

As confirmed in Annex L of the GEF document "*Comparative advantages of the GEF agencies*", UNDP

has a comparative advantage in the area of Persistent Organic Pollutants, in particular with respect to *Capacity Building* and provision of *Technical Assistance*. The proposed project will further benefit from UNDP's experience in *integrated policy development, human resources development, institutional strengthening,* and *non-governmental and community participation.*

The proposed project will introduce a comprehensive approach to PCB management, spanning from legislative to technical assistance and awareness raising and partnership building for the sound management of PCBs. Such elements are successfully being implemented in a number of UNDP PCB projects world-wide. To date, GEF funding has been approved for UNDP-supported PCB management activities in the following 10 countries: Argentina, Brazil, Ghana, Kazakhstan, Kyrgyzstan, Latvia, Mexico, Morocco, Slovak Republic and Uruguay.UNDP supports these countries in:

- *Strengthening legal frameworks and improving enforcement capacity pertaining to PCB management* by addressing gaps in national PCB management regulations and creating an enabling environment for the environmentally sound management and destruction of PCBs.

- *Undertaking additional PCB inventories to identify remaining geographically dispersed PCBs and sensitive sites*, for example by identifying small and medium-sized enterprises possessing a portion of the remaining inventory.

- *Improving PCB management practices (such as handling, storage, transport, and destruction)* by providing technical guidance on management and safe disposal of PCBs and training for government officials, handlers of PCB-containing equipment, and other private sector entities, to ensure the sound management of PCBs throughout their life cycle.

- *Ensuring safe disposal of PCBs in collaboration with PCB-containing equipment holders*, by developing safe domestic disposal facilities, facilitating export of PCB waste to safe disposal facilities abroad, and improving coordination among PCB holders to lower the cost of transport and destruction of PCBs.

- *Implementing public awareness campaigns and communication strategies* to support all of the above activities.

The proposed project will therefore benefit from UNDP's comparative advantages as a GEF agency in the implementation of PCB management and disposal related projects worldwide.

C.1 INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:

UNDP does not currently have any legal ability to decide to provide cofinancing to GEF funded projects with UNDP's "own" resources (which are referred to as "regular resources"). Decisions on the allocation of UNDP regular resources to particular projects are country-led and are made within the framework of UNDG and UNDP in-country programming processes. These processes are the UN-wide United Nations Development Assistance Framework (UNDAF) and the Country Programme Document (CPD) - a document which states more clearly those results in the UNDAF for which UNDP has a direct responsibility, and which is supported by a more detailed Country Programme Action Plan (CPAP). Resource allocation decisions to particular projects under these programming documents are led by UNDP in collaboration with national

governments. UNDP can and does, however, arrange for cofinancing from Other Resources (i.e. non-UNDP core) to GEF funded projects. These sources can include multilateral, bilateral and regional donors, the programme countries themselves, NGOs, other UN agencies and the private sector, among others. Please note that UNDP normally achieves a ratio of more than $3 in cofinancing for every $1 in GEF resources for country projects.

Iniatially for this project, the United Nations Development Programme (UNDP) will contribute 15,000 US$ (grant) for the preparation of the project. UNDP has also contributed with in-kind technical support and assistance for initial scoping meetings with Government counterparts and project stakeholders which took place in the preparation of this PIF.

Considering the scope of the project, UNDP's in-house expert resources in energy sector programmes at country, regional and headquarters level will be mobilized and contribute towards project implementation.

Further, the Resident Representative functions and Country Office human resources and facilities will be available beyond strict cost recovery basis for the succesful project implementation. This value has been estimated to atleast US$ 20.000 in-kind contribution, and will be further assessed and calculated during PPG.

UNDP's experience in integrated policy development, Capacity Development, institutinal strengthening and non-governmental and community participation will also benefit this project.

The Environmental management experts in the Country Office have extensive experience in the implementation of GEF funded projects, such as those related to Biodiversity and Climate Change. Considering in-country presence and its long-standing expeirnce in GEF project preparation and implementation, the UNDP Costa Rica environmental unit is very well placed to follow up on project implementation and progress.

C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:

Costa Rica's United National Development Assistance Framework - UNDAF (2008-2012) contains as one of its four outcomes the achievement of a "*Sustainable Environment*: *institutional changes have been implemented and the population favors a healthy, equitable, secure and ecologically balanced environment achieved through sustainable management of resources and the use of territorial planning frameworks*" (UNDAF – Outcome 4).

UNDAF outputs which will benefit directly from the proposed PCB management and disposal project have been highlighted:

Dissemination of experiences and best international environmental practices to be applied in the preparation of the local environment agenda(s):

- Communication processes on environmental awareness and use of natural resources, as well as the design and implementation of a comprehensive environmental education supported.
- Technical, administrative and financing resources of management institutions and other stakeholders to achieve sound environmental and natural resource management strengthened.
- Implementation of measures and regulations with the aim to curb emissions of substances that deplete the ozone layer improved.

Strengthened institutional capacities and accountability pertaining to the sound management of resources:

- Institutional capacities of Costa Rica's environmental sector strengthened and coordination with Central American countries promoted.

Strengthened technical and strategic planning and regional environmental sector:

- Tools to improve monitoring and control of environmental health developed and implemented.

UNDP's Country Office in Costa Rica, in particular its environment unit consisting of 2 experienced environmental management experts, has extensive experience in the implementation of GEF funded projects, such as those related to International Waters, Climate Change and Biodiversity as well as multi-focal areas projects. In addition, the UNDP Country Office has extensive experience in the development, implementation and monitoring of Montreal Protocol projects funded by the Multilateral Fund (MLF). Considering in-country presence and its long-standing experience in GEF and MLF Project implementation, the UNDP Costa Rica environment unit is very well placed to follow-up on project implementation and progress.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Patricia Campos Mesén	GEF Operational Focal Point: Dirección Cooperación Internacional	MINISTRY OF ENVIRONMENT, ENERGY AND TELECOMMUNICATIONS.	**03/10/2011**

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**DATE** *(MM/dd/yyyy)*	**Project Contact Person**	**Telephone**	**Email Address**
Yannick Glemarec		March 10, 2011	Dr. Suely Carvalho	1-212-906-6687	Suely.carvalho@undp.org

Response to GEF SEC Comments:

Questions	GEF SEC Comment	UNDP response
29. Comment on indicated co-financing at PIF.	The Co-finance is 1:3.3 with over 50 % in cash. There is the opportunity during the PPG phase to increase this co-finance level. For GEF , increase the impact of projects, the involvement of private-public partnerships are being encouraged to increase the level of funding for the projects. Costa Rica should seek to increase the level of co-financing for this project.	The co-financing ratio has been raised to 1:4, and the government of Costa Rica and UNDP will during the PPG phase promote the involvement of public-private partnerships.

Dirección de Cooperación Internacional

- Costa Rica-

MINAET

San José, Costa Rica, February 10, 2011
DCI-038-2011

To: Mr. Yannick Glemarec
GEF Executive Coordinator
304 East 45th Street, 9th Floor
10017, New York, NY
United States of America

Dear Mr. Glemarec,

Subject: Endorsement for of Proposal: "Integrated Pcb Management In Costa Rica"

In my capacity as GEF Operational Focal Point for Costa Rica, I confirm that the above project proposal (a) is in accordance with the government's national priorities and our commitments to the relevant global environmental conventions, and (b) was discussed with the relevant stakeholders, including the global environmental convention focal points.

I am pleased to endorse the preparation of the above project proposal with the support of the GEF Agency listed below. If approved, the proposal will be prepared and implemented by the Ministry of Environment, Energy and Telecommunication (MINAET) of Costa Rica. I request the GEF agency to provide a copy of the project document before it is submitted to the GEF Secretariat for CEO Endorsement.

The total financing (form GEFTF, LDCF and/or SCCF) being requested for this project is $2.200.000 million USD, inclusive of project preparation grant (PPG), if any, and Agencies fees for project cycle management services associated with the total GEF grant. The financing request for Costa Rica is detailed in the table below.

Source of Funds	GEF Agency	Focal Area	Amount (in US$)			
			Project preparation	Project	Fee	Total
GEF	UNDP	POPs	70.000 US$	1.930.000	200.000	2.200.000
Total GEF Resources			70.000 US$	1.930.000	200.000	2.200.000

Sincerely,

Patricia Campos Mesén
GEF Operational Focal Point
Ministry of Environment, Energy and Telecommunications

MINISTERIO DEL AMBIENTE, ENERGIA Y TELECOMUNICACIONES
DIRECCION COOPERACION INTERNACIONAL
COSTA RICA

CC: Mr. Teófilo de la Torre, Minister of Environment, Energy and Telecommunications
Mr. Andrei Bourroet, GEF Political Focal Point of Costa Rica
M. María Guzmán, POPs Focal Point, Costa Rica
Ms. Luiza Carvalho, UNDP Resident Representative, Costa Rica

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