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Ministerio de Ambiente, Energía y Telecomunicaciones  
Dirección de Gestión de Calidad Ambiental

## United Nations Development Programme

Country: Costa Rica

### PROJECT DOCUMENT<sup>1</sup>

#### Project Title: Integrated PCB Management in Costa Rica

**UNDAF Outcome(s):** 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).

#### UNDP Strategic Primary Outcome:

On-going support on the formulation and initial implementation of inclusive, green, low-emission and/or climate-resilient development policies and priorities in at least six LAC countries, in the areas of assessment, dialogue, training, data collection and analysis, initiation of priority actions – paying attention to the needs and concerns of woman in LAC.

#### Expected CP Outcome(s):

Strengthening national mechanisms and skills for dialogue, negotiation and consensus, leading to the specific reduction of POPs (Persistent Organic Pollutants) and ODS (Ozone Depleting Substances) including social, economic, and economic and environmental co-benefits.

#### Expected CPAP Output (s):

*Climate change national strategy that supports the move towards a low carbon emission economy and diminish vulnerabilities to climate change implemented.*

#### Executing Entity/Implementing Partner: Ministry of Environment and Energy

#### Brief Description

The Objective of the project is to minimize risks of exposure from PCBs to people and the Environment in Costa Rica. The project is working to decrease the barriers for achieving sound PCB management through the following components: 1) Strengthened Institutional Capacity in Costa Rica for the Environmentally Sound Management of PCBs, 2) Environmentally sound management and interim storage of PCBs, 3) Environmentally Sound Destruction of PCBs and management of contaminated equipment, 4) Awareness Raising and communication. The project is expected to generate substantial local and global benefits for the environment.

<sup>1</sup> For UNDP supported GEF funded projects as this includes GEF-specific requirements

|                         |                       |
|-------------------------|-----------------------|
| Programme Period:       | <u>2013-2017</u>      |
| Atlas Award ID:         | <u>00070216</u>       |
| Project ID:             | <u>00084431</u>       |
| PIMS #                  | <u>4092</u>           |
| Start date:             | <u>October 2013</u>   |
| End Date:               | <u>September 2017</u> |
| Management Arrangements | NIM                   |
| PAC Meeting Date        | _____                 |

|                            |                        |
|----------------------------|------------------------|
| Total resources required:  | <u>10,639,274 US\$</u> |
| Total allocated resources: | <u>10,639,274 US\$</u> |
| • Regular                  | _____                  |
| • Other:                   |                        |
| o GEF                      | <u>1,930,000 US\$</u>  |
| o Government               |                        |
| o In-kind                  | <u>160,000 US\$</u>    |
| o Other                    | <u>8,549,274 US\$</u>  |
| In-kind contributions      | _____                  |

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**Agreed by (Executing Entity/Implementing Partner):**

**Ministry of Environment  
and Energy:**

\_\_\_\_\_  
René Castro Salazar  
Minister MINAET

\_\_\_\_\_  
Date

**Agreed by (Government):**

**Ministry of Planning and  
Economic Policy:**

\_\_\_\_\_  
Roberto Gallardo  
Minister MIDEPLAN

\_\_\_\_\_  
Date

**Agreed by (UNDG Agency):**

**United Nations  
Development**

\_\_\_\_\_  
Yoriko Yasukawa  
Resident Representative UNDP Costa Rica

\_\_\_\_\_  
Date

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## **ACRONYMS**

|        |  |
|--------|--|
| ACOPE  | Costa Rican Energy Producers Association                 |
| CNFL   | National Light and Power Company                         |
| DIGECA | Direction of Environmental Quality Management            |
| ESPH   | Empresa de Servicios Públicos de Heredia                 |
| GEF    | Global Environment Facility                              |
| ICE    | Costa Rican Electrical Institute                         |
| JASEC  | Junta Administradora de Servicios Eléctricos de Cartago  |
| MINAE  | Ministry of Environment and Energy                       |
| NGOs   | Non-Governmental Organizations                           |
| NIP    | National Implementation Plan                             |
| ODS    | Official Document System of the United Nations           |
| PCB    | Polychlorinated biphenyl                                 |
| NDP    | National Development Plan                                |
| POPs   | Persistent Organic Pollutant                             |
| PPG    | Project Preparation Grant                                |
| SAICM  | Strategic Approach to International Chemicals Management |
| UN     | United Nations   |
| UNDP   | United Nations Development Program                       |

## **Units of measure**

|     |                   |
|-----|-------------------|
| ppm | Parts per million |
|-----|-------------------|

## 1. SITUATION ANALYSIS

### *Context and global significance*

1. In April 2002 Costa Rica signed the Stockholm Convention on Persistent Organic Pollutants, and ratified it in February 2007. The National Implementation Plan for Costa Rica was submitted to the Stockholm Convention Secretariat in April 2009.
2. This project's objective is to minimize the risks of exposure from PCBs to people and the environment in Costa Rica, not only to meet the Stockholm Convention country commitments, but to minimize the risk to the population and the environment resulting from PCB exposure. The project will be directed towards institutional capacity building and regulatory strengthening to implement a national environmentally sound PCB management system and the development of technological capacity to treat and eliminate its national inventory. The project will have a duration of 4 years.
3. Costa Rica's First National Implementation Plan (NIP) for POPs defined the environmentally sound management of PCBs as one of its six priority work areas. This project and its four components are aligned with the NIPs objectives and action plans for institutional enhancement, regulatory formulation and environmentally sound management of PCBs.
4. In 2006 Costa Rica developed its National Chemicals Profile and it was updated in 2008. In it, the national challenges with respect to the sound chemicals management were identified, in particular those on the PCB management. The challenges identified are addressed in this proposed project.
5. The National PCB Inventory completed for the NIP, which will be updated as an activity of the proposed project, has indicated that, out of a total of 14.379 transformers out of service, approximately 1.499 transformers are potentially contaminated. These results will need to be confirmed with laboratory analysis. The in service PCB contaminated transformers will be included in the project scope.
6. The National Development Plan (NDP) 2011-2014 has established policy guidelines for the environmental sector, in particular in its Environmental Quality National Plan in the area of chemical substances. Annex III gives an overview of the National Development Plan and National Implementation Plan on POPs.
7. The Costa Rican electrical sector is primarily made up of the public companies, cooperatives, municipal administered companies and private generators. The public companies: the Costa Rican Electrical Institute (ICE) and the National Light and Power Company (CNFL) are the largest and cover approximately 85% of the national territory in generation and distribution. All of the companies, with exception of the small private generators, have been proactive in working on updating their individual inventories with information from the in service equipment through their maintenance operations, along with implementing of cross contamination prevention measures.
8. In order to address its issues with respect to chemical management, Costa Rica has created a Technical Secretariat for the Coordination of Chemical Substance Management, which has been working since 2006 to establish synergies among the different stakeholders involved in chemical management. The Secretariat reports and coordinates, among ministries and other stakeholders, where national criteria is requested, for the implementation of Montreal Protocol, the Stockholm Convention, the Basel Convention, and the Rotterdam Convention; and serves as the institutional coordinating mechanism for the environmentally sound management of chemicals.

9. The most important part of this project will be the establishment of an integrated PCB management system that will provide all necessary elements to overcome important barriers for PCB management in Costa Rica. Some of these barriers are financial i.e. the high cost of sending contaminated equipment and oils abroad for disposal; lack of resources for the eliminating of large lots of equipment at one time; limited analytical capacity and high cost of the identification of PCB contaminated equipment and oils.

10. Generating and distribution companies from the public or private sector of any size will have an option to eliminate their transformers and oils at the lowest possible cost, according to the national regulations.

11 This project will strengthen the country's institutional capacity to implement a viable PCB management system for the environmentally sound management of PCBs. Some legal framework will need to be created and other existing ones improved while the Government's enforcement capacity will be enhanced to guarantee compliance.

12. In order to improve PCB management practices in the Costa Rica the project will develop norms and regulations for all aspects of an integrated management system, such as transport, storage, maintenance; labeling, testing, destruction of PCB contaminated equipment and oils.

13. The project will strengthen the existing laboratory capacity, among the academia and public sector, for PCB analysis as a means of lowering the costs of this aspect of the inventory.

14. The project will facilitate the establishment of interim storage / transfer station for the reception of all transformers with PCB contamination. The equipment and oil with low PCB concentrations will be treated locally, if the feasibility study concludes that it can be done cost effectively. The equipment with high PCB concentrations will be decontaminated and the oils will be exported for disposal in an international facility for safe disposal.

15 The transfer station is a part of the PCB management system to be developed in order to facilitate any owners of PCB contaminated equipment and oils to dispose of these contaminants at a reasonable cost and within the framework of an economically viable national phase out plan.

16. The project will strengthen national institutional capacities for chemicals management and will be the means by which PCB management will be linked to Costa Rica's broader chemicals management, which will in turn be promoting GEF's strategic aim to promote the sound management of chemicals and contribute to the overall objective of the Strategic Approach to International Chemicals Management (SAICM).

*Threats, fundamental causes and barriers for environmentally sound management and destruction of PCBs.*

17. The threats, fundamental causes and barriers to the Integrated PCB Management in Costa Rica are stated below. The project strategies to address these issues are described in Section II of this document.

**a. Lack of financial resources.**

The cost of elimination of contaminated equipment through exporting to authorized industrial companies abroad makes it difficult for the companies of the electrical sector, more so for small and medium size cooperatives and private generators/distributors, to respond to their responsibilities as PCB owners. National alternatives for treatment and elimination need to be implemented locally, at least for low concentrations of PCBs.

**b. Limited analytical capacity for PCB contamination testing and identification.**

There are a limited number of laboratories that have the analytical resources to do testing for PCB concentrations and not all of them have been accredited. The remaining public and private laboratories do not have the necessary PCB reference materials and are not trained for the sampling of these persistent organic pollutants. This barrier of a limited number of laboratories results in high costs per analysis and long waits for the results to be returned. The use of Clor-N-Oils kits is being limited to a first characterization of transformer oils, and if the result is positive, confirmation must be done in a laboratory. Additionally, analytical results from different laboratories have been found to have different results from the same sample. This situation leads to generate uncertainty among electrical companies.

**c. Lack of physical infrastructure for the environmentally sound management of PCBs.**

The electrical sector companies do not have the necessary physical infrastructure to store for long periods of time the PCB contaminated transformers and oils. There is a need for a national infrastructure staging on which, once identified, the PCB contaminated transformer oils can be sent, giving it treatment completion in an environmentally sound manner. At the present time, there are small interim storage units in the companies that are taking up space that is necessary for regular activities, resulting also in high costs and not always under proper management conditions.

**d. Lack of technical knowledge on sound PCB management practices.**

There is a need for strengthen the institutional capacity and regulatory framework with regulations for the development of a national PCB management system, and in turn, the adaption of these management principals among the PCB owners.

On a national level, there are no technical guidelines established and made obligatory for the environmentally sound management of PCBs.

Each company manages their PCBs at the present time in different ways that are not responding to technical best practices and guidelines that will guarantee the reduction of possible impacts to public health and the environment.

**e. High costs associated with the identification of remaining PCBs.**

The national PCB inventory done for the development of the NIP had many difficulties, since the identification of possible PCB contamination relied principally on the use of Clor-N-Oil kits. The reason being that first of all there are very few laboratories that can do PCB analysis and the cost of these procedures is extremely high. The other difficult factor is that the waiting period for the results is extremely long. The cost of PCB analysis needs to be reduced with the operation of more laboratories that can do this type of analysis and that can offer more economic alternatives for a large number of analysis and to reduce the time in which the results can be obtained.

18. The project will address the above indicated threats, fundamental causes and barriers to integrated PCB Management through the following components.

| Component  | Barrier  |
|--|--|
| 1. Strengthened institutional capacity in Costa Rica for the environmentally sound management of PCBs. | Lack of legal instruments related to PCB management<br>Lack of institutional monitoring and control capacity.<br>National PCB inventory has to be updated. |



|  |   |
|--|---|
|  |   |
| 2. Environmentally sound management and interim storage of PCBs.                       | Limited analytical capacity for PCB contamination testing and identification  |
| 3. Environmentally sound destruction of PCBs and management of contaminated equipment. | High costs associated with the identification of remaining PCBs<br>Lack of technical knowledge on sound PCB management practices<br>Lack of financial resources |
| 4. Awareness raising and communication   | Lack of awareness among different stakeholders.   |

19. Overcoming the barriers will allow Costa Rica to eliminate 1,350 MT PCB contaminated material, amount that was estimated based on the first inventory included in the NIP, and at the same time will improve the Environmentally Sound Management of PCBs in Costa Rica.

#### *Stakeholder analysis*

20. The development of an integrated PCB Management System in Costa Rica requires the participation of several different stakeholders from the public and private sectors. During the PPG process these stakeholders were integrated in an information, training and consultations workshops and will be requested, along with others, to participate in the project's implementation.

#### **Public institutions and committees**

##### **a) Ministry of Environment and Energy (MINAE).**

This institution is the rector of environmental management and national competent authority responsible for the coordinating of actions derived from the application of the Stockholm Convention. The Direction of Environmental Quality Management (DIGECA) of MINAE will be the project director and the National Coordination will be done from this institution.

##### **b) Technical Secretariat for the Coordination of Chemical Substance Management.**

This is a coordinating mechanism created by decree whose function is to support the competent national authorities and focal points of the different conventions related to chemical substances. Its members include representatives of the Ministry of Environment and Energy, Ministry of Health, Ministry of Agriculture, Ministry of Finance (Customs Agency), Ministry of Foreign Relations, Private Sector organizations, NGOs and the academia. The secretariat will be called upon to collaborate in activities, reviewing norms and regulations and support the pilot project for PCB destruction.

##### **c) Ministry of Health.**

This institution is in charge of safeguarding public health and the planning and coordinating of all public and private activities related to health. This Ministry is responsible for the national integrated solid waste management for ordinary and hazardous waste. It is the competent authority for the Basel Convention and responsible for operations permitting.

##### **d) Ministry of Labor and Social Security.**

It is the national authority responsible for worker protection. It has a special Occupational Health Council whose objectives are to monitor and control legal compliance of occupational health

issues. In this project's framework it will be responsible for the validation of the norms related to worker protection in PCB management.

**e) Ministry of Economy, Industry and Commerce.**

This ministry will contribute to the approval of the regulations and norms for PCB management as part of their responsibility in avoiding additional procedures that may affect the country's competitiveness.

### Public generators and distributors

**a. Costa Rican Electrical Institute (Instituto Costarricense de Electricidad) (ICE).**

This is an autonomous public institution and the largest electrical energy generator and distributor in the country. It has been an active stakeholder in PCB management issues.

**b. National Light and Energy Company (Compañía Nacional de Fuerza y Luz) (CNFL).**

This is a public company and is the main electrical distributor. It is a subsidiary of ICE who is the owner of 98% of the CNFL shares. The remaining 2% is in the hands of private owners.

**c. Municipal generators and distributors.**

There are municipally owned energy generation and distribution companies. They generate small amounts of energy in their own plants and/or hydroelectric installations. These companies are: Empresa de Servicios Públicos de Heredia (ESPH) and Junta Administradora de Servicios Eléctricos de Cartago (JASEC).

**d. Cooperative generators and distributors.**

There are cooperatives that are located in the rural sectors and that are in charge of the generation and distribution of small quantities of energy. These cooperatives are: Coopelesca, R.L., Coopealfaroruiz, R.L., Coopeguanacaste, R.L., Coopesantos, R.L.

### Academia

**e. University research centers - institutes and laboratories.**

There are research centers from the different public universities that are interested in enhancing their analytical capacity to provide PCB analysis services. These interested stakeholders are: National University- Regional Institute for Studies on Toxic Substances (IRET), University of Costa Rica- Environmental Contamination Research Center (CICA), Chemical Registry Unit, Electro-chemical and Chemical Energy Center (CELEQ).

### Private sector stakeholders

**f. Costa Rican Energy Producers Association (ACOPE).**

This organization represents private generators, revises and promotes the updating of legislation for energy production in Costa Rica. They are in constant contact with national authorities and international organisms that are involved in energy production. They will play an important role as a communication channel with its associates.

**g. Private generators.**

There are several small companies who have investments in electrical production, mainly hydroelectric and in much smaller scale eolic energy. They are actively involved in the updating of the National Inventory. As transformer owners they must comply with an environmentally sound management of PCBs.

**h. Transformer maintenance services.**

These are companies that do maintenance servicing to transformers in the country.

**i. Cement companies.**

There are two cement companies in Costa Rica: Holcim and CEMEX. They are potential providers of services to co-process PCB contaminated oil (>50 ppm) in their cement kilns.

In annex V there is a more detailed description of the various stakeholders and their role in the project implementation.

*Baseline analysis*

21. The information from the national inventory indicates that the best estimate is that there are approximately 4.000 tons of PCB contaminated equipment and 1.500 tons of oils. The national inventory results were based mostly on Clor-N-Oil testing and the results need to be verified through laboratory analysis. The inventory considered only out of service equipment and needs to be updated with in service equipment information that has been generated through the identification and verification with laboratory analysis of the equipment that undergoes maintenance operations. During the PPG process the information to upgrade the existing inventory has been started with the use of the existing POPs data base that was created during the NIP process.

22. The high amounts of PCBs in the electricity generation and transmission raises also the exposure of PCBs to humans with possible health risks. The groups most likely exposed are workers dealing with transformer and other electric equipment maintenance as well as workers further down in the value chains dealing with oil and metal recycling. The general population and ecosystems can be highly exposed through contaminated soils and food.

23. The Costa Rican Legislative Assembly recently passed Law 8839 for the Integrated Waste Management, which contains a section on the hazardous waste management in which PCBs are included. This new legislation is the framework for the regulations or norms that will need to be elaborated for PCB management in particular. This law is based on the shared responsibility and establishes that the generator is responsible for its integral waste management and its sustainability, as well as the assuming of the costs that this may imply.

24. Costa Rica lacks norms and regulations for storage, transport and treatment/destruction of PCBs (liquids and solids). This needs to be corrected with the development of a national integral PCB management system that includes guidelines and technical recommendations.

25. The new integral waste management law establishes the responsibility of the competent authorities of informing on the forms of environmentally sound management, the risks and impacts on health and the environment associated to hazardous waste management.

26. The Ministry of Environment (MINAE), the institution responsible for the monitoring, controlling and following up on PCB management, through the Direction of Environmental Quality Management, which currently does not have the capacity to carry out the PCB inspections and to control potentially PCB contaminated areas. The information that is received from the electrical sector companies in the POPs data base needs to be verified and the quality of the information needs to be checked. PCB management activities need to be inspected on site in the different electrical companies.

27. All electrical generation and distribution companies in Costa Rica are coordinated by the Energy Sector Division, which is part of the Ministry of Environment and Energy.

28. There is one laboratory from the National University that has capacity to analyze PCBs. The Costa Rican Electrical Institute (ICE) has made a very large investment for the upgrading and certifying of its current laboratory but it is still not in operation. Although there are two more private laboratories which offer PCB analysis, there seems to be inadequate laboratory capacity causing reliability issues in the analytical results, the prices are high and the time it takes to get results back is very long.

29. The cooperatives, municipal administrated and private generating companies of the electrical sector have been separately doing efforts to manage PCB contaminated equipment. However, they have not been able to advance with respect to PCB identification and the sound management of PCBs to the same extent as the ICE and CNFL. This has been generally due to their limited size and technical and financial resource limitations.

30. At the present time, the only way that PCB contaminated transformers and oils can be eliminated is through the exporting of the equipment abroad to industrial waste managers, at very high costs. There has not been any development of a possible alternative technology to be applied locally, such as dechlorination or decontamination of transformers with solvents and low PCB concentration oils incinerated in the cement kilns.

31. Costa Rica is currently in the process of testing the possible ODS destruction in cement kilns and with the proper technical feasibility study it is possible that PCB contaminated oils could also be destroyed / co-processed.

Annex II gives a more detailed description about the National Electricity System.

## 2. STRATEGY

### *Project rationale and policy conformity*

32. Costa Rica has identified among its NIP priorities the environmentally sound management of PCBs and their treatment and disposal. This project will entail the establishment of the necessary norms and regulations for the environmentally sound management of PCBs. The project will also develop activities that will enhance the institutional capacity to monitor, control and follow up on compliance of these regulations and the fulfillment of PCB owners' responsibility. The establishment of an integrated PCB management system with interim storage / transfer station for the treatment and potential elimination of PCB contaminated equipment is one of the options to consider that will allow the electrical sector companies to eliminate their transformers and oils in an environmentally sound manner.

33. At the present time the electrical generation and distribution companies do not have an economically viable solution to the treatment or elimination of their PCB contaminated equipment and oils. The only options are the exporting abroad at very high prices or the storing of these equipment and oils. The transfer station and the service of transformer decontamination and PCB elimination that will be provided will allow for the electrical sector in general to have an option for environmentally sound management of these POPs. The electrical companies will of course pay for these services but at more accessible prices during their phasing out of PCB contaminated equipment.

34. The recycling of metals (particularly copper) is a second benefit that the transfer station will provide as an added element contributing to the economical sustainability of the transfer station and a return that the electrical companies can use for the replacing of contaminated equipment. In the future, the transfer station could also be used for other hazardous wastes that are generated in the country.

35. The projects activities are in line with the priorities and action plans developed during the preparation of the first NIP (see Annex III for more details).

### *Project objective*

36. The project objective is to minimize the risks of exposure from PCBs to people and the environment in Costa Rica.

### *Project lead*

37. The project lead will be the Ministry of Environment and Energy (MINAE) of Costa Rica. The Direction of Environmental Quality Management (DIGECA) will be directly responsible for the project implementation (refer to management arrangements, page 34) as Project Director. The project will also have its individual coordination mechanism with the stakeholders.

### *Project components, outcomes and outputs*

38. The project has four components, as indicated below, with expected outcomes and outputs for each one.

***Component 1. Strengthened institutional capacity in Costa Rica for the environmentally sound management of PCBs (Overall budget 600,000 US\$, GEF 120,000 US\$, co-financing 480,000 US\$).***

*Expected outcomes*

**A. Strengthened legal framework adopted.**

A.1. PCB legislation reviewed and updated.

A.2. Norms and regulations for the environmentally sound management of PCBs developed and adopted.

A review of the existing chemical management regulations along with some regional regulations that are in place will be done to identify regulatory strengths and needs for development.

The result of this review will be inputs to the activities to be undertaken for the fulfillment of this expected outcome such as the creating and approving of the national PCB management regulation and the development and implementation of a national PCB Management and Elimination Plan.

Annex IV provides a more detailed description about the current legal and institutional framework in Costa Rica with relation to POPs / Chemicals

**B. Enhanced enforcement capacity.**

B.1. Current enforcement structures assessed.

B.2. A team of 4 inspectors trained.

The fulfillment of this outcome will require the assessment of current institutional structures that need to be strengthened in order to enhance their capacity to enforce compliance of the PCB management regulation to be developed in the framework of this project.

The defining of the inspector's profile and the necessary systematic periodic training will be completed to have a team consolidated for the monitoring and controlling of regulatory compliance operating in the corresponding regulatory institution.

**C. Improved institutional capacity to report on PCBs to Stockholm Convention Secretariat.**

C.1. Improved national PCB inventory.

C.2. Tracking system for PCBs developed.

This outcome will involve the updating of the existing national PCB inventory through the improving of the POP data base that presently receives the data from the electrical companies. Once the information has been updated it will be analyzed and an estimation of the total PCB contaminated equipment and oils to be treated and eliminated will be compiled. The information of the actual inventory will be reported as required to the Stockholm Convention Secretariat.

The national analytical capacity will be assessed to identify possible inputs from the project budget (reference materials) for the upgrading of laboratories for PCB identification and improvement of the inventory. An official procedure for PCB testing with indicators and forms will be developed as part of this outcome.

***Component 2. Environmentally sound management and interim storage of PCBs (Overall budget 2,885,000 US\$, GEF 435,000 US\$, co-financing 2,450,000 US\$).***

*Expected outcomes*

**D. Improved PCB management practices implemented.**

- D.1. Technical standards for management of PCB equipment established.
- D.2. Safety standards developed.
- D.3. Trainers trained on Best Practices for PCB Management.

The activities of this outcome will produce technical standards for the identifying, storage, handling and transport of PCB contaminated equipment and oils. The development of a Best Practices Manual for PCB Management and training sessions with electrical sector company employees receiving on hands training will contribute to the use and implementation of these practices.

**E. Adequate centralized PCB interim storage established and operationalized.**

- E.1. Design of PCB interim storage finalized.
- E.2. Environmental Impact Assessment conducted.
- E.3. Administrative and fee structure for the use of the PCB interim storage established.
- E.4. Interim storage constructed.
- E.5. Technical and safety standards for interim storage developed, disseminated and applied to storage facility operations.

To design the PCB interim storage the needs, with regard to size and estimated quantity of equipment that will need to be stored, will be evaluated. The design characteristics will be defined for initial planning and identification of possible sites. Once the site has been defined a Geological Study will be done to determine the environmental viability of having the transfer station at the proposed location.

The operational and legal requirements for the PCB interim storage installation will be evaluated and the Environmental Impact Assessment will be done accordingly.

During the PPG process a proposal for the administrative and operational structure of the transfer station (PCB interim storage) was developed. This input will be once again evaluated and the final proposal will be validated by the stakeholders.

The interim storage will be constructed under the national building requirements for the activities that will be developed in this installation. The building will be equipped with the necessary technical and office equipment for the start of operations.

***Component 3. Environmentally sound destruction of PCBs and management of contaminated equipment (Overall budget 6,449,274 US\$, GEF 1,030,000 US\$, co-financing 5,419,274 US\$).***

*Expected outcomes*

**F. Environmentally sound destruction of PCBs.**

- F.1. PCB export scheme created.
- F.2. Coordination mechanism among PCB holders and government established.
- F.3. Replacement equipment procured.
- F.4. Environmentally sound destruction of approximately 1.350 tons of PCB liquids and solids (<50 ppm) according to the result of the inventory.
- F.5. Feasibility study on equipment decontamination using a Public Private Partnership modality undertaken.
- F.6. Feasibility study to assess if PCB contaminated oils (<5000 ppm) can be destroyed locally where ODS would be destroyed.

The initial assessment to be done will be to determine the amount of transformers and oils have high PCB concentrations and necessarily must be destroyed in industrial installations abroad. This information will allow for the development of a PCB export scheme for them.

For the contaminated equipment and oils that have lower PCB concentrations a tender will be done to analyze and select the service companies and the technologies that will be applied to provide the environmentally sound decontamination of equipment, treatment and/or elimination of oils as part of the services that the transfer station will provide. The possibility of using the same installations that could be destroying ODS for PCB elimination will also be evaluated during the development of this outcome.

The plan is that the interim storage / transfer station will be operated under the modality of Public Private Partnership and a feasibility study to identify the requirements and benefits of this type of ownership will be evaluated.

A coordinating mechanism with private and public stakeholders will be created to work together in the fulfillment of the Stockholm Convention requirements and implementation of the National Elimination Plan for PCB destruction.

The metal recuperation market will be analyzed for the recycling of transformers decontaminated and not in use as well as for those that are not contaminated but are also out of use. The return from this recycling will be returned proportionally to the stakeholders.

***Component 4. Awareness raising, communication, Monitoring and Evaluation (Overall budget 320,000 US\$, GEF 120,000 US\$, co-financing 200,000 US\$).***

*Expected outcome*

**G. Improved awareness among stakeholders.**

- G.1. Awareness raising strategy developed and implemented.
- G.2. Communication strategy launched.

A communication strategy for awareness raising will be developed and the corresponding educational materials will be produced and distributed among the communities located near energy generating and distribution installations and near the storage facility (or transfer center). Training sessions will be done with the communities to explain what PCBs are and the precautionary measures for protection of the environment and public health.

***Monitoring, Adaptive feedback, outreach and evaluation (Overall budget 65,000 US\$, GEF 65,000 US\$).***

***Project Management (Overall budget 320,000 US\$, GEF 160,000 US\$, co-financing 160,000 US\$)***

***Key indicators, risks and assumptions***

39. The following are some of the overall risks and risk mitigation measures that will apply.

| Risk   |   | Risk Mitigation Measures  |
|--|---|---|
| Resistance among PCB holders against approval of new norms | L | Active an awareness raising campaign that will demonstrate the long-term economic and environmental |



|  |          |   |
|--|----------|---|
| and regulations for PCB management.  |          | 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        | <ul style="list-style-type: none"> <li>- Undertake an Environmental Impact Assessment.</li> <li>- Assurance that BEP/BAT are applied and followed through throughout the construction and daily operation of the facility.</li> <li>- Active participatory communication strategy.</li> </ul> |
| Insufficient financial resources available for the environmentally sound management of PCBs.     | L        | Awareness raising among decision makers and managers of electricity distribution companies on the legal obligations that Costa Rica has assumed under the Stockholm Convention.   |
| <b>Overall Risk Rating</b>   | <b>L</b> |   |

A more specific description of the risk can be found in the Logical Framework matrix.

40. Project indicators are based on the performance to be achieved and on the accomplishment of desired outcomes that will result in the meeting of the project goals and objective.

41. Indicators measuring environmental capacity building with norms and regulations and institutional strengthening for monitoring and controlling will be obtained.

42. Stress reduction indicators will be used in this project applied to the amount and cost per ton of PCB eliminated in an environmentally sound manner.

*Project consistency with GEF strategic priorities and operations programs for POPs focal area identified in GEF V.*

43. The project and its activities are in conformity with the following Strategic Objectives, Outcomes and indicators.

**POPs Strategic Objective 1. Phase out POPs and reduce POPs releases.**

The project in its first component will strengthen the institutional capacity. The second and third components are directed to the environmentally sound management of PCBs and their proper disposal. The fourth component addresses the need to increase public awareness on the PCB health and environmental issues.

The project components will contribute towards the GEF V Strategic Objective 1 indicators:

**Outcome 1.4.** POPs waste prevented, managed and disposed of, and POPs contaminated sites managed in an environmentally sound manner.

**Indicator 1.4.1.** Amount of PCBs and PCB-related waste decontaminated or disposed of measured in tons as recorded in the POPs tracking tool.

**Project component 2. Environmentally sound management and interim storage** will build a transfer station for interim storage and develop technical standards for environmentally sound management of PCB equipment to be fulfilled by the PCB owners.

**Project Component 3. Environmentally sound destruction of PCB and management of contaminated equipment** will achieve the elimination of 1.350 tons of PCB contaminated equipment and oils and will remove the existing disposal barriers, due to high export costs, to provide the conditions for the national environmentally sound management and disposal of the PCBs.

**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 create a legal framework with norms and regulations for the management of PCBs with the building of institutional capacity to implement the monitoring of compliance by the PCB owners.

*Incremental reasoning and expected global, national and local benefits.*

44. While many of the activities planned under the project will bring national and local benefits, little action would have been planned for PCBs purely for national reasons. The existence of the project is mainly due to the requirements in the Stockholm convention, and can hence be considered incremental to the baseline scenario.

45. In the baseline scenario, some capacity building in public and private sector would take place even with the absence of the project. However, with various priorities, it is likely that no concerted action for institutional strengthening (policy, legal and enforcement) for managing PCBs would take place during project period without the support of the project.

46. In the baseline scenario the disposal operations for PCB containing equipment would continue with oil mixing and recycling for various uses. Without project supported national disposal operations it is unlikely that PCB holders would commence developing PCB phase-out plans and budget additional resources for safe PCB disposal, given the high cost of export. In short, the current unsafe practices among many PCB holders would prevail.

47. Analysis of the situation on the ground indicates that very little tangible outputs towards safe PCB management would take place in Costa Rica without external inputs. In addition, the project activities are well in-line with Stockholm Convention requirements and obligations making the whole project incremental from a GEF perspective.

48. The main global benefit from the project will be the safe disposal of minimum 1350 MT of PCB liquids and solids, where pure PCBs will be prioritized. The equipment and oils will be destroyed and the risk that it will be globally redistributed will be eliminated. The introduction of safe in-country management practices and disposal options will contribute to the global benefits in the future.

49. Expected national environmental and health benefits are expected thanks to decreased releases of PCBs due to improved management and disposal practices, and therefore it can be assumed that less PCBs are reaching the environment, people and food sources.

50. Another important national benefit is the experience and capacity gained by most stakeholders in developing a clear plan for life-cycle management of problematic industrial chemicals. The overall approach and tools developed in the project can with modifications be utilized for other problematic chemicals within and beyond the sphere of the Stockholm Convention on POPs. Hence, the project experience and adopted approaches will contribute towards overall sustainable chemicals management.

51. Other major beneficiaries will be the entities that possess PCB containing equipment. Though they will be required to dispose the PCB they have, they will be given an affordable option of disposing the waste. All public and private sector partners are expected to gain technical capacity thanks to the project.

| <b>BASELINE</b>  | <b>GEF ALTERNATIVE</b>   | <b>PROJECT ACTIVITY</b>  |
|--|--|--|
| There is a law for integrated waste management but there is no regulation in particular for PCB contaminated equipment | The strengthening of institutional monitoring capacity and the establishment of regulations for PCB environmentally sound management and disposal will | The formulation of the PCB management regulation, approval and distribution among electrical sector companies. |

|   |  |  |
|---|--|--|
| and oils. The regulating institutions do not have trained inspectors to monitor, control and follow up on PCB management and disposal.  | result in risk reduction and fulfillment of the Stockholm Convention goals.  | Inspectors from the MINAE will be trained and monitoring programs will be developed to control regulation compliance.  |
| The national inventory was done with the use of mainly Clor-N-Oil kits in out of service equipment. The inventory needs to be updated with the inclusion of in service equipment and the confirmation of PCB concentrations with laboratory analysis. | The POPs data base will be strengthened so that the inventory can be updated periodically and the Stockholm Convention report will contain accurate and verifiable information.                  | The project capacity building activities will strengthen the analytical capacity for the identification and characterization of PCB contents in equipment and oils.  |
| There is a lack of occupation health and safety guidelines for workers in contact with PCB contaminated equipment. Analytical follow up of human contamination needs to be implemented.   | Electrical sector company employees will be trained on best occupation health and safety measures and the use of personnel protection equipment when handling PCB contaminated equipment.        | Occupation health and safety guidelines will be distributed and training will be given to electrical company employees and independent maintenance workshops that provide equipment maintenance services. .                            |
| The electrical companies have PCB contaminated equipment in warehouses and storage facilities awaiting a local treatment and disposal alternative to be developed.  | A transfer station for interim storage of PCB contaminated equipment and oils will be established and equipped to apply best available practices.  | The transfer station and its interim storage facilities, and some decontamination equipment will be provided with the co-financing of the interested stakeholders.   |
| There is a need to find an alternative to having to export PCB contaminated equipment and oils for treatment and disposal.  | A technological alternative for PCB contaminated equipment and oils treatment and disposal will be made available at economically viable cost and in environmentally sound management standards. | The transfer station will provide sample analysis for PCB content identification, treatment and disposal services for contaminated equipment and oils as part of the initial services provided for equipment and oil characterization. |

The following table shows the co-relation between the Baseline Project and the GEF Contribution.

| <i>Component</i> | <i>Baseline Project</i> |                   | <i>GEF contribution</i> |                  |
|------------------|-------------------------|-------------------|-------------------------|------------------|
|                  |                         | <i>Co-finance</i> |                         | <i>GEF-funds</i> |
|                  |                         |                   |                         |                  |

|   |   |                       |   |                       |
|---|---|-----------------------|---|-----------------------|
| <p>1. Strengthened institutional capacity in Costa Rica for the environmentally sound management of PCBs.</p> | <ul style="list-style-type: none"> <li>- PCB management regulatory framework improved.</li> <li>- Institutional enforcement capacity improved.</li> <li>- National PCB inventory updated.</li> <li>- Institutional reporting to Stockholm Convention capacity enhanced.</li> </ul>                | <p>480,000 US\$</p>   | <ul style="list-style-type: none"> <li>- Support of establishment of the legal framework, improvement of institutional enforcement capacities, in accordance with international standards</li> <li>- PCB inventory updated with information according to SC recommendations</li> </ul>  | <p>120,000 US\$</p>   |
| <p>2. Environmentally sound management and interim storage of PCBs.</p>                                       | <ul style="list-style-type: none"> <li>- Improved <i>PCB management practices</i>.</li> <li>- Establishment and operation of PCB interim storage.</li> <li>- Design of PCB interim storage completed.</li> <li>- Administrative and fee structure for PCB interim storage established.</li> </ul> | <p>2,450,000 US\$</p> | <ul style="list-style-type: none"> <li>- Develop management practices and safety guidelines.</li> <li>- Assure adherence to SC- BC technical guidelines for the design of the interim storage.</li> <li>- Cost-effective analysis of the disposal options from which to select.</li> <li>- Feasibility study for the Public Private Partnership modality of operation.</li> </ul> | <p>435,000 US\$</p>   |
| <p>3. Environmentally sound destruction of PCBs and management of contaminated equipment.</p>                 | <ul style="list-style-type: none"> <li>- PCBs destroyed in environmentally sound manner.</li> <li>- Coordinating mechanism for all PCB stakeholders</li> <li>- Destruction of 1350 tons of PCB liquids and solids.</li> </ul>   | <p>5,419,274 US\$</p> | <ul style="list-style-type: none"> <li>- Assure environmentally safe destruction of PCBs and possible POPs impacts.</li> <li>- Assure the use of environmentally sound technologies for PCB destruction according to SC- BC guidelines.</li> </ul>  | <p>1,100,000 US\$</p> |

|   |   |              |  |              |
|---|---|--------------|--|--------------|
|   |   |              | - Pilot destruction of PCBs (export or locally).   |              |
| 4. Awareness raising and communication.                 | - Awareness raising communication strategy implemented. | 200,000 US\$ | - Providing of information for dissemination on the impact of PCB releases on the environment and public health. | 50,000 US\$  |
| Monitoring, adaptive feedback, outreach and evaluation. |   |              | - M&E activities implemented according to plan.  | 65,000 US\$  |
| Project Management                                      | - Provision of Office spaces, etc.                      | 160,000 US\$ | - Sound coordination of all projects related activities (including co-finance).                                  | 160,000 US\$ |

*Country ownership, country eligibility and country drivenness.*

52. Costa Rica signed the Stockholm Convention in April 2002 and ratified it in February 2007. The NIP was submitted to the Secretariat in April 2009. The NIP clearly defines PCB environmentally sound management and disposal as one of its priorities to be resolved in order to comply with their responsibility to the Stockholm Convention.

53. The recently approved Law 8839 regulating Integrated Solid Waste Management is a clear indication that the country is committed to the environmentally sound management of hazardous substances, therefore PCB contaminated waste must be managed accordingly.

54. The Costa Rica electrical sector is well aware of its responsibilities and obligations as owners of PCB contaminated equipment and oils and is proactive in working towards proper management practices, even though there is still not an official regulation or norm in place for this purpose.

*Financial modality*

55. This project will be implemented with the National Implementation Modality (NIM) and it will follow standard UNDP rules and regulations.

*Cost effectiveness*

56. Project activities have been designed in such a way that Cost-effectiveness should be achieved during the implementation of the project. The implementation will follow standard UNDP rules and regulations and will assure that procurement processes will be open, transparent and competitive, and all larger contracts will be published internationally. This should assure that value for money will always be achieved.

57. The establishment of a national PCB management system and the building/operation of a transfer station for transformer management can be quite cost effective in that it will allow for large and small PCB owners to dispose of their contaminated equipment and oils at a lower cost, while having the possibility of having a return on the metal recovery of their transformers.

58. Costa Rica has approved a legislation making it obligatory to implement the environmentally sound management of hazardous waste which is in line with the Stockholm Convention requirements of reduction and elimination of PCBs. Cost-efficiency will depend on the total amount of PCBs that the updated inventory will reveal. The high concentration PCB oils will necessarily be exported for incineration but the lower concentration oils and transformers decontamination can be managed in the country by using the capacity built within the transfer station. The recuperation of metals and sales will allow for the economical sustainability and cost efficiency of the transfer station.

*Sustainability*

59. For Costa Rica, the establishment of a PCB environmentally sound management system and the destruction of contaminated equipment and oils has been an issue since the signing and ratification of the Stockholm Convention. The development of a technological alternative such as a transfer station with the capacity to decontaminate equipment and dispose of contaminated oils are elements that contribute to the projects sustainability.

60. The obligations and responsibilities set forth in the legislation related to solid waste management give sustainability to the PCB environmental management system that will be developed, as it will be a form of complying with the existing requirements.

61. The transfer station operation will be designed in such a way that its economic sustainability will not only be with the charges for PCB equipment decontamination and oil disposal, but with the sale of recovered metals on the metal market. In the future, the transfer station it may also be used for other hazardous waste management needs.

62. The project aims at strengthening the institutional capacity in Costa Rica and this should in the longer term strengthen the institutional sustainability of not only this project, but for other chemicals related projects, and should lead to further strengthening of the sound management of chemicals in Costa Rica.

#### *Replicability*

63. This project will be highly replicable with other countries in Latin America, in particular the Central American region, where the issues of PCB environmentally sound management and disposal are similar and high on the priorities list for the implementation of their national implementation plans. Lowering of barriers for safe national treatment/management will set an example for many small countries of successful approaches to PCB and wider hazardous waste management.

64. The POPs data base tool that will allow for the updating periodically of the PCB inventory, the regulations and norms established, the technical guidelines and environmental management system implemented in this project will be easily replicated by other countries with economies in transition and developing countries whose geographical and economic conditions are similar. The solutions to PCB equipment decontamination and oil destruction that this project will develop will provide valuable examples of alternatives that can be developed locally and are real steps towards the fulfillment of the Stockholm Convention objectives.

65. The project will also be related and in close contact with other initiatives that are being developed in countries like Brazil, Colombia, Mexico, Argentina, Uruguay and in the near future hopefully in the Dominican Republic and Ecuador.



### 3. PROJECT RESULTS FRAMEWORK

| <p>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:<br/> <b>Consolidate the national capacities to promote environmental sustainability, the management of disaster risks and sustainable territorial planning.</b></p>   |  |  |  |   |  |
|---|--|--|--|---|--|
| <p><b>Country Programme Outcome Indicators:</b><br/> <b>Public institutions and civil society strengthen capacities to address and reduce the negative impact of climate change, the reduction of the ozone layer, solid waste management, integrated management of water resources, and persistent organic pollutants in accordance with international agreements.</b></p>   |  |  |  |   |  |
| <p><b>Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one):</b><br/> <b>Catalyzing environmental finance</b></p>   |  |  |  |   |  |
| <p><b>Applicable GEF Strategic Objective and Program: 1. Phase out of POPs and reduce POP releases.</b></p>   |  |  |  |   |  |
| <p><b>Applicable GEF Expected Outcomes: 1.4 POPs waste prevented, managed and disposed of, and POPs contaminated sites managed in an environmentally sound manner. 1.5 Country capacity built to effectively phase out and reduce releases of POPs.</b></p>   |  |  |  |   |  |
| <p><b>Applicable GEF Outcome Indicators: 1.4.1. Amount of PCBs and PCB- related waste disposed of, or decontaminated, measures in tons as recorded in the POPs tracking tool. 1.5.1. Progress in developing and implementing a legislative and regulatory framework for environmentally sound management of PCBs, and for the sound management of chemicals in general, as recorded through the POPs tracking tool.</b></p> |  |  |  |   |  |
|   | Indicator  | Baseline   | Targets<br>End of Project  | Source of verification  | Risks and Assumptions  |
| <p><b>Project Objective<sup>2</sup></b><br/> <b>Minimize risks of exposure to PCBs to people and the environment in Costa Rica.</b><br/> <b>(equivalent to output in ATLAS)</b></p>   | <p>Quantity of PCBs (liquids and solids) destroyed in the project period (2013-2017).</p>  | <p>1000 MT PCBs destroyed pre- project through exports and in-country treatment.</p>   | <p>1350 MT of PCBs (liquids and solids) disposed of in an environmentally sound manner.</p>  | <p>Certificate of destruction.</p>  | <p>The assumption is that 1350 MT would be available for destruction and that national disposal solutions (if relevant) would be accepted by the civil society as a result of the project.</p> |
|   | <p>Quantity of PCB material safeguarded.</p>   | <p>National inventory but outdated.</p>  | <p>All known PCBs safely stockpiled.</p>   | <p>National database on stockpiled PCBs.</p>  | <p><b>Risk: Low</b></p>  |
|   | <p>Number of environmental, health and customs authorities' personnel trained to monitor compliance of Stockholm Convention requirements and national norms.</p> | <p>Environmental, health and customs authorities' personnel do not have the knowledge and training to execute control and monitoring of the PCB stockpiles in the country.</p> | <p>30 officials of the environmental, health and commerce authorities trained to control the commerce, storage, transport, treatment and final disposal of PCBs,</p> <p>1 Norm developed and validated</p> <p>4 guidelines / manuals developed by end of the</p> | <p>Lists of attendance of workshops and training sessions.</p> <p>1 norm validated</p> <p>Manuals and guidelines on PCB management published.</p> | <p>Costa Rica has an inter-ministerial committee that deals with Chemical related issues and are expected to have a high interest in receiving proper training.</p> <p><b>Risk: Low</b></p>    |

<sup>2</sup> Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR

|  |   |   |   |   |   |
|--|---|---|---|---|---|
|  | <p>Number of safe PCB management and disposal options</p> <p>Number companies trained and implementing the new regulatory guidelines</p> <p>Number of inspectors / enforcement officers trained to enforce national laws / norms on PCB management</p>  | <p>The country has no centralized facility for treatment PCB contaminated transformers.</p> <p>No guidelines for PCB management in place.</p> <p>Limited knowledge about PCB management among environmental inspectors.</p>   | <p>project</p> <p>At least one treatment/disposal alternative (interim storage/transfer station) in operation at the end of the project.</p> <p>8 companies trained and implementing the new regulatory guidelines.</p> <p>20 maintenance and other personnel at PCB holders trained in safe PCB handling.</p> <p>4 inspectors/enforcement officers trained to enforce national laws/norms on PCB management.</p> | <p>Disposal Certificates. National and international consultants' reports on the establishment/operation of interim storage/transfer station.</p> <p>Monitoring reports</p> <p>Reports from training of inspectors</p>  | <p>Regulatory framework and permits for operation of interim storage/transfer station in place</p> <p>Agreement among Electrical Utility and Distribution companies to develop a common centralized solution.</p> <p><b>Risk: Medium</b></p>  |
| <p><b>Outcome 1<sup>3</sup></b><br/><b>Strengthened Institutional Capacity in Costa Rica for the environmentally sound management of PCBs.</b></p> | <p>Number of PCB management regulations developed and validated by regulating institution.</p> <p>Number of inspectors trained to conduct site visits for the verification of compliance of the regulations for PCB management.</p> <p>Number of inspections carried out during project implementation (2013-17)</p> <p>Number of potential</p> | <p>PCB management is not established by regulations and norms that guarantee their environmentally sound management.</p> <p>The regulating institution does not have trained inspectors that can evaluate the environmentally sound management of PCBs.</p> <p>Currently contaminated sites have not been identified.</p> | <p>PCB management regulations and environmentally sound management norms developed and validated..</p> <p>At least 4 inspectors trained in PCB management evaluation and enforcement.</p> <p>At least 1 inspection made by inspectors to each electrical sector company per semester.</p> <p>A preliminary inventory of potentially PCB contaminated sites.</p>   | <p>PCB management regulation developed, validated, and distributed among the electrical sector companies and other interested stakeholders.</p> <p>Training completion certificates.</p> <p>Semester Inspection reports</p> <p>Reports from quarterly updated PCB inventory</p> <p>Stockholm Convention report with updated and</p> | <p>The formulation and approval of regulations and norms could be a slow process due to political pressure and the Ministry of Health as national authority would have to approve the regulation also.</p> <p>There may be resistance from PCB holders against approval of new norms and regulations for PCB management.</p> <p>It is assumed that sites where PCB equipment has been storage could represent potentially contaminated sites.</p> <p>It is assumed that updated</p> |

<sup>3</sup> All outcomes monitored annually in the APR/PIR. It is highly recommended not to have more than 4 outcomes.

|   |   |  |   |  |   |
|---|---|--|---|--|---|
|   | <p>contaminated sites<br/>Number of national inventories updated on line with information from electrical companies on contaminated equipment and oils identified and inventories eliminated.</p> <p>Number of reports submitted to the Stockholm Convention Secretariat</p> <p>National PCB Management and Elimination Plan</p>  | <p>The national inventory was done in 2005 and was based on out of service equipment and primarily with Clor-N-Oil testing.</p> <p>Currently one annual report is submitted to the SC Secretariat.</p>   | <p>PCB data base operating with on line reporting from electrical sector companies with inventory update information.</p> <p>1 annual report on PCBs submitted to the Stockholm Convention Secretariat.</p> <p>National PCB Management and Elimination Plan approved and in implementation process</p>  | <p>verifiable information on PCB inventory and contaminated equipment and oil elimination.</p> <p>National PCB Management and Elimination Plan</p>   | <p>inventories will include the equipment that belong to private entities or individuals that are under the distribution companies supervision.</p> <p><b>Risk: Low</b></p>   |
| <p><b>Outcome 2<br/>Environmentally sound management and interim storage of PCBs,</b></p> | <p>Number of Electrical sector companies with PCB management plans, developed and presented to national authority for approval.</p> <p>Number of Guidelines and technical standards for the environmentally sound management of PCBs approved.</p> <p>Number of Occupational health and safety guidelines issued and implemented by electrical sector companies.</p> <p>Number of trainers trained on Best practices for PCB Management</p> | <p>There is a lack of a national environmental management plan that includes an elimination plan so that electrical companies can use as guidelines for their activities, regarding their PCB issues.</p> <p>No guidelines and technical standards are currently being used.</p> <p>Occupational health and safety issues are important when evaluating potential risk for workers who have already been exposed to PCBs in the past and to prevent future incidents</p> | <p>PCB environmentally sound management practices implemented in at least 7 electrical sector companies.</p> <p>7 PCB owners with management plans presented to regulating institution and compliance verified.</p> <p>1 set of Guidelines and technical standards for management of PCB equipment established and implemented (transportation, storage, management and disposal).</p> <p>1 set of national occupational health and safety standards for PCB management</p> | <p>Copy of PCB management plans</p> <p>Copy of Guidelines and technical standards.</p> <p>Copy of Occupational Health and safety guidelines</p> <p>Reports from train the trainers seminars.</p> | <p>The national authority for approval of hazardous waste management plans is the Ministry of Health which could be a slow process.</p> <p>National guidelines and technical standards will be approved by both Ministry of Health and Environment.</p> <p>The local communities may be against the establishment of a hazardous waste interim storage/transfer station in their area.</p> <p>The Environmental Impact Assessment could be a slow process due to the interim storage/transfer station being a hazardous waste and decontamination center.</p> |

|  |   |  |   |   |   |
|--|---|--|---|---|---|
|  |   | No trainers trained.   | formulated for national application, approved by regulating authority and in operation in electrical sector companies.<br><br>A minimum of 10 trainers trained on Best Practices for PCB management.  |   |   |
|  | Number of Designs for Interim storage/transfer station.<br><br>Number of Environmental Impact Assessments for Interim storage/transfer station.<br><br>Number of Technical standards developed for interim storage/transfer station.<br><br>Interim storage/transfer station built and ready for operation. | No design for interim storage/transfer station exists currently.<br><br>No EIAs prepared.<br><br>No Technical standards for interim storage/transfer station have been developed.<br><br>No interim storage/transfer station in operation. | 1 Design for interim storage/transfer station developed according to international best practices.<br><br>1 Environmental impact assessment developed and approved.<br><br>Technical standards developed and implemented according to national conditions for Interim storage/transfer station, including design, operation, interim storage, and management of hazardous substances.<br><br>1 Interim storage/transfer station in operation according to developed standards and national law. | Copy of design<br><br>Copy of approval of EIA<br><br>Interim storage/transfer station operation permitting approved.<br><br>Copy of approved Technical standards for interim storage,<br><br>Copy of operation license/permit for Interim storage/transfer station. | EIA will be approved by the Technical Environmental Secretariat, which could be a long lasting process.<br><br>It is understood that the interim storage may be in each electrical company and the transfer station could be operated virtually or that a centralized interim storage/transfer station could be established depending on the existing conditions at the time of its planning.<br><br>Risk: Medium |
| <b>Outcome 3<br/>Environmentally sound destruction of PCBs and management of contaminated equipment.</b> | National Coordination mechanism established among PCB holders and government companies in operation.<br><br>Environmentally sound destruction of existing   | The only option for the decontamination, treatment and disposal of PCB contaminated equipment and oils is through exportation to installations at very high cost.  | National Coordination mechanism operating.<br><br>A feasibility study completed to determine the best available technological alternative and the interim storage/transfer station  | Meeting minutes and attendance lists.<br><br>Environmentally sound destruction of 1350 tons of PCB equipment and oils (>50 ppm)..   | There may be insufficient financial resources available, for PCB environmentally sound disposal, among the electrical sector companies due to present national budget constraints.  |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
|   | <p>PCB inventory.</p> <p>Feasibility study for interim storage/transfer station administration completed.</p> <p>Number of agreements between PCBs holders to develop interim storage/transfer station.</p> | <p>There is no technically and economically viable alternative to exporting which needs to be developed, in order for the PCB owners to complete the elimination process and fulfill the Stockholm Convention goals</p> <p>No formal agreement exists among the 7 PCB holders in the country.</p>                     | <p>options.</p> <p>Environmentally sound alternative for decontamination, treatment and disposal of PCB contaminated equipment and oils made available for electrical sector companies and other PCB owners.</p> <p>Public Private Partnership developed for the interim storage/transfer station administration.</p> <p>1 agreement reached between interested parties regarding interim storage/transfer station operation.</p> | <p>Destruction or treatment certificates presented to national authority.</p> <p>Public private partnership feasibility study completed to analyze the alternative for interim storage/transfer station operation and results implemented.</p> <p>Copy of agreement</p> |   |
|   | <p>Number of feasibility studies to determine if low concentration PCB oils can be destroyed locally.</p>   | <p>Low concentration PCB oils cannot be destroyed locally and no study has been conducted to evaluate the feasibility.</p>  | <p>1 study to determine if PCB contaminated oils with less than 5.000 ppm are destroyed locally (where ODS will be destroyed).</p>  | <p>Copy of final report.</p>  |   |
| <p><b>Outcome 4</b><br/><b>Awareness raising and communication.</b></p> | <p>Number of Awareness raising and communications strategies developed.</p> <p>Number of workshops with populations living close to Interim storage/transfer station.</p>                                   | <p>Currently no awareness raising and communication strategy has been developed regarding PCBs and the risk it poses to the people and the environment.</p> <p>Physical location of interim storage/transfer station has not yet been determined, and therefore no communication exists with potentially affected</p> | <p>1 Awareness raising strategy developed and implemented with the main stakeholders (electrical sector companies, regulating institutions and general public).</p> <p>4 Community workshops carried out for population living close to the interim storage/transfer station to inform about the benefits of interim storage/transfer station in terms of environmental protection and technical safeguards put in</p>            | <p>Awareness raising publications distributed among electrical sector companies and interested communities.</p> <p>Copy of workshop reports and random interviews with relevant population.</p>   | <p>There may be concerned among the population about the approval of the environmental viability of a hazardous waste interim storage/transfer station.</p> |

|  |   |                                     |  |                           |   |
|--|---|-------------------------------------|--|---------------------------|---|
|  |   | population.                         | place for the operation.<br>Regular workshops on a yearly basis as follow up this activity.  |                           |   |
| <b>Monitoring, adaptive feedback, outreach and evaluation.</b> | Number of high quality monitoring and evaluation documents prepared during project implementation | No documents in baseline situation. | 4 Quarterly Operational Reports submitted to UNDP each year<br>1 annual APR/PIR submitted to UNDP each year.<br>1 Mid-term evaluation.<br>1 Final evaluation<br>MTE and FE must include a lessons learned section and a strategy for dissemination of project results. | Reports submitted to UNDP | It is assumed that the project manager will prepare all the reports that are required by the GEF and UNDP.<br><br>Risk: Low |

#### 4. TOTAL BUDGET AND WORK PLAN

|  |  |                       |          |
|--|--|-----------------------|----------|
| <b>Award ID:</b>                               | 00070216                                   | <b>Project ID(s):</b> | 00084431 |
| <b>Award Title:</b>                            | Integrated PCB Management in Costa Rica    |                       |          |
| <b>Business Unit:</b>                          | COS10                                      |                       |          |
| <b>Project Title:</b>                          | Integrated PCB Management in Costa Rica    |                       |          |
| <b>PIMS no.</b>                                | 4092                                       |                       |          |
| <b>Implementing Partner (Executing Agency)</b> | Ministry of Environment and Energy (MINAE) |                       |          |

| GEF Outcome/Atlas Activity  | Responsible Party/ Implementing Agent | Fund ID        | Donor Name    | Atlas Budgetary Account Code | ATLAS Budget Description  | Amount Year 1 (USD) | Amount Year 2 (USD) | Amount Year 3 (USD) | Amount Year 4 (USD) | Total (USD)    | See Budget Note: |
|---|---------------------------------------|----------------|---------------|------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|
| <b>OUTCOME 1: Strengthened Institutional Capacity in Costa Rica for the environmentally sound management of PCBs.</b> | <b>MINAE</b>                          | <b>62000</b>   | <b>GEF</b>    | 71200                        | International Consultants | 15,380              | 0                   | 0                   | 0                   | 15,380         | A                |
|   |                                       |                |               | 71300                        | Local Consultants         | 54,530              | 7,530               | 3,530               | 3,530               | 69,120         | B, C             |
|   |                                       |                |               | 71400                        | Contractual services      | 20,000              | 3,000               | 0                   | 0                   | 23,000         | D                |
|   |                                       |                |               | 71600                        | Travel                    | 5,000               | 0                   | 0                   | 0                   | 5,000          |                  |
|   |                                       |                |               | 72500                        | Office Supplies           | 500                 | 500                 | 500                 | 500                 | 2,000          |                  |
|   |                                       |                |               | 72300                        | Materials and goods       | 5,500               | 0                   | 0                   | 0                   | 5,500          |                  |
|   |                                       |                |               |                              | <b>Sub-total GEF</b>      | <b>100,910</b>      | <b>11,030</b>       | <b>4,030</b>        | <b>4,030</b>        | <b>120,000</b> |                  |
|   | <b>Total Outcome 1</b>                | <b>100,910</b> | <b>11,030</b> | <b>4,030</b>                 | <b>4,030</b>              | <b>120,000</b>      |                     |                     |                     |                |                  |
| <b>OUTCOME 2: Environmentally sound management and interim storage of PCBs.</b>                                       | <b>MINAE</b>                          | <b>62000</b>   | <b>GEF</b>    | 71200                        | International Consultants | 0                   | 0                   | 0                   | 0                   | 0              |                  |
|   |                                       |                |               | 71300                        | Local Consultants         | 46,121              | 96,121              | 14,122              | 14,122              | 170,486        | E,F,G            |
|   |                                       |                |               | 71400                        | Contractual services      | 7,000               | 247,000             | 0                   | 0                   | 254,000        | H                |
|   |                                       |                |               | 71600                        | Travel                    | 1,000               | 1,000               | 0                   | 0                   | 2,000          |                  |

|   |                        |               |               |                |                           |                  |                |                |               |                  |          |
|---|------------------------|---------------|---------------|----------------|---------------------------|------------------|----------------|----------------|---------------|------------------|----------|
|   |                        |               |               | 72500          | Office Supplies           | 500              | 500            | 500            | 500           | 2000             |          |
|   |                        |               |               | 74500          | Miscellaneous             | 1,630            | 1,630          | 1,630          | 1,624         | 6,514            |          |
|   |                        |               |               |                | <b>Sub-total GEF</b>      | <b>56,251</b>    | <b>346,251</b> | <b>16,252</b>  | <b>16,246</b> | <b>435,000</b>   |          |
|   |                        |               |               |                | <b>Total Outcome 2</b>    | <b>56,251</b>    | <b>346,251</b> | <b>16,252</b>  | <b>16,246</b> | <b>435,000</b>   |          |
| <b>OUTCOME 3</b><br>Environmentally sound destruction of PCBs and management of contaminated equipment. | <b>MINAE</b>           | <b>62000</b>  | <b>GEF</b>    | 71200          | International Consultants | 0                | 0              | 20,000         | 0             | 20,000           | I.       |
|   |                        |               |               | 71300          | Local Consultants         | 36,268           | 86,269         | 51,269         | 36,269        | 210,075          | J, K,M,N |
|   |                        |               |               | 72300          | Material and Goods        | 2,500            | 2,500          | 848,425        | 2,500         | 855,925          | L        |
|   |                        |               |               | 71600          | Travel                    | 0                | 0              | 10,500         | 0             | 10,500           |          |
|   |                        |               |               | 72500          | Office Supplies           | 500              | 500            | 500            | 500           | 2,000            |          |
|   |                        |               |               | 72300          | Materials and goods       | 0                | 0              | 1500           | 0             | 1500             |          |
|   |                        |               |               |                | <b>Sub-total GEF</b>      | <b>39,268</b>    | <b>89,269</b>  | <b>932,194</b> | <b>39,269</b> | <b>1,100,000</b> |          |
|   | <b>Total Outcome 3</b> | <b>39,268</b> | <b>89,269</b> | <b>932,194</b> | <b>39,269</b>             | <b>1,100,000</b> |                |                |               |                  |          |
| <b>OUTCOME 4:</b><br>Awareness raising and communication.   | <b>MINAE</b>           | <b>62000</b>  | <b>GEF</b>    | 71200          | International Consultants | 0                | 0              | 0              | 0             | 0                |          |
|   |                        |               |               | 71300          | Local Consultants         | 1,513            | 15,513         | 1,513          | 1,513         | 20,052           | O        |
|   |                        |               |               | 71400          | Contractual services      | 0                | 13,000         | 5,000          | 5,000         | 23,000           | P        |
|   |                        |               |               | 71600          | Travel                    | 0                | 1,649          | 1,649          | 1,650         | 4,948            |          |
|   |                        |               |               | 72500          | Office Supplies           | 500              | 500            | 500            | 500           | 2,000            |          |
|   |                        |               |               | 74500          | Miscellaneous             | 0                | 0              | 0              | 0             | 0                |          |
|   |                        |               |               |                | <b>Sub-total GEF</b>      | <b>2,013</b>     | <b>30,662</b>  | <b>8,662</b>   | <b>8,663</b>  | <b>50,000</b>    |          |
|   | <b>Total Outcome 4</b> | <b>2,013</b>  | <b>30,662</b> | <b>8,662</b>   | <b>8,663</b>              | <b>50,000</b>    |                |                |               |                  |          |
| <b>OUTCOME 5:</b><br>Monitoring, Learning, Adaptive Feedback and Evaluation.                            | <b>MINAE</b>           | <b>62000</b>  | <b>GEF</b>    | 71200          | International Consultants | 0                | 20,000         | 0              | 20,000        | <b>40,000</b>    |          |
|   |                        |               |               |                | Contractual services      | 10,000           | 5,000          | 5,000          | 5,000         | <b>25,000</b>    |          |
|   |                        |               |               |                | <b>Sub-total GEF</b>      | <b>10,000</b>    | <b>25,000</b>  | <b>5,000</b>   | <b>25,000</b> | <b>65,000</b>    |          |



|                                 |              |              |            |       |                                  |                |                |                |                |                |                  |
|---------------------------------|--------------|--------------|------------|-------|----------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
|                                 |              |              |            |       | <b>Total Outcome 5</b>           | <b>10,000</b>  | <b>25,000</b>  | <b>5,000</b>   | <b>25,000</b>  | <b>65,000</b>  |                  |
| <b>Project Management Unit.</b> | <b>MINAE</b> | <b>62000</b> | <b>GEF</b> | 71300 | Local Consultants                | 32,500         | 32,500         | 32,500         | 32,500         | <b>130,000</b> |                  |
|                                 |              |              |            | 74599 | UNDP cost recovery charges-Bills | 7,500          | 7,500          | 7,500          | 7,500          | <b>30,000</b>  |                  |
|                                 |              |              |            |       | <b>Sub-total GEF</b>             | <b>40,000</b>  | <b>40,000</b>  | <b>40,000</b>  | <b>40,000</b>  | <b>160,000</b> |                  |
|                                 |              |              |            |       | <b>Total Management</b>          | <b>40,000</b>  | <b>40,000</b>  | <b>40,000</b>  | <b>40,000</b>  | <b>160,000</b> |                  |
|                                 |              |              |            |       | <b>PROJECT TOTAL</b>             | <b>252,442</b> | <b>546,212</b> | <b>994,138</b> | <b>137,208</b> | <b>133,208</b> | <b>1,930,000</b> |
|                                 |              |              |            |       |                                  |                |                |                |                |                |                  |

#### Budget notes

| Note | Type                     | Description   |
|------|--------------------------|---|
| A    | International consultant | Component 1. C2. PCB laboratory analysis and accreditation expert   |
| B    | Local consultant         | Component 1. A1, A2, and A3. Legal expert   |
| C    | Local consultant         | Component 1. C1. PCB inventory and management expert.   |
| D    | Contractual services     | Component 1. A2, B2. Training workshops.  |
| E    | Local consultant         | Component 2. D1 and D2. Chemical expert with PCB management experience  |
| F    | Local consultant         | Component 2. E1 Industrial/chemical engineer for transfer station design.   |
| G    | Local consultant         | Component 2. E2 Environmental Impact Assessment.  |
| H    | Contractual services     | Component 2. E3, E4. Transfer station equipment and technology.   |
| I    | International consultant | Component 3. F4. PCB destruction technologies expert.   |
| J    | Local consultant         | Component 3. F2. Communications expert  |
| K    | Local consultant         | Component 3. F3 Metals market research expert.  |
| L    | Material and Goods       | Component 3. F4 Seed Money for investment in Technological alternative for decontamination and oil destruction equipment design and construction. Funds for destruction of initial lots of PCBs to demonstrate destruction schemes. |
| M    | Local consultant         | Component 3. F5 Legal expert  |
| N    | Local consultant         | Component 3. F5 Financial analyst.  |

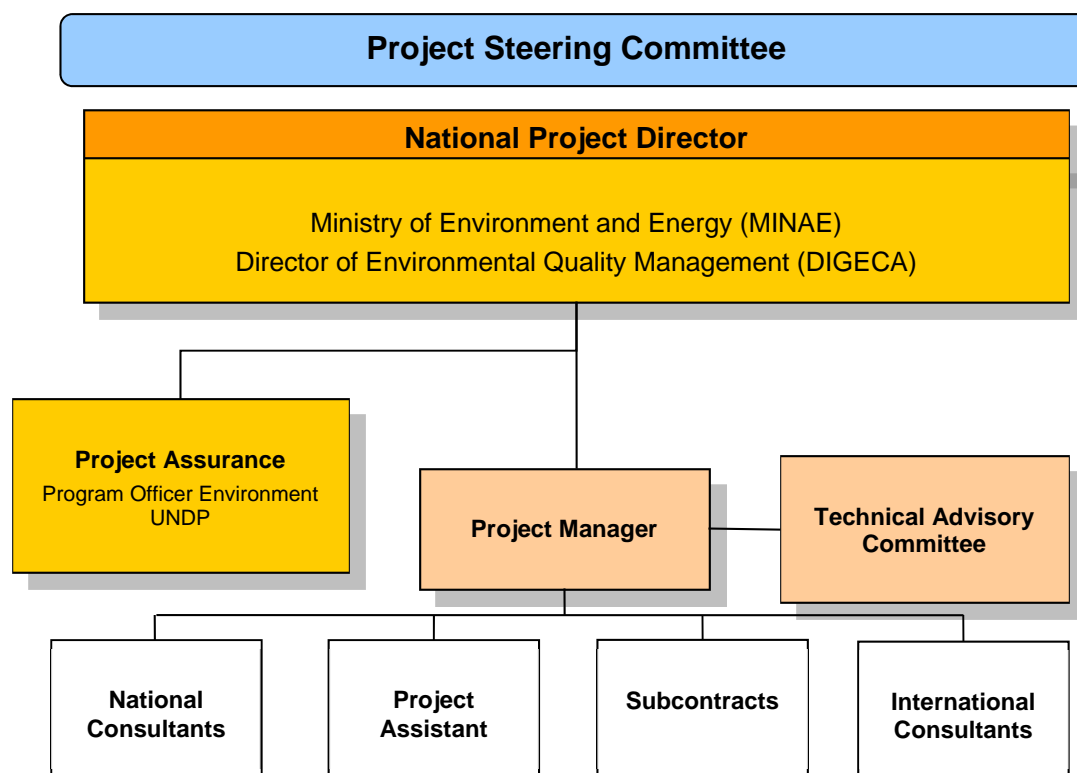
|   |                                  |  |
|---|----------------------------------|--|
| O | Local consultant                 | Component 4. G1. Communications expert.  |
| P | Contractual services             | Component 4. G2. Publications, materials and workshops.                                    |
| Q | UNDP Cost recovery charges bills | Refer to Annex V – Letter of Agreement for Direct Project Services in the Annexes section. |

**Summary of Funds:**<sup>4</sup>

|                                  | Amount Year 1  | Amount Year 2  | Amount Year 3    | Amount Year 4  | Total            |
|----------------------------------|----------------|----------------|------------------|----------------|------------------|
| <b>GEF</b>                       | <b>248,442</b> | <b>542,212</b> | <b>1,006,138</b> | <b>133,208</b> | <b>1,930,000</b> |
| <b>Co-Finance Private Sector</b> | 1,709,855      | 2,564,782      | 4,274,637        | 854,927        | 8,549,274        |
| <b>Government in-kind</b>        | 40,000         | 40,000         | 40,000           | 40,000         | 160,000          |
| <b>TOTAL</b>                     | 1,998,297      | 3,146,994      | 5,320,775        | 1,028,135      | 10,639,274       |

<sup>4</sup> Summary table should include all financing of all kinds: GEF financing, cofinancing, cash, in-kind, etc...

## 5. MANAGEMENT ARRANGEMENTS



66. The project will be executed by the Ministry of Environment and Energy (MINAE), under the direct lead of the Direction of Environmental Quality Management (DIGECA).

67. The MINAE will be the project Director and head of the Project Steering Committee. The other members of the committee will be representatives of the Ministry of Health, UNDP-Costa Rica, Costa Rican Electrical Institute Group (ICE-CNFL), and one representative of another electrical company.

Among its functions, the Project Steering Committee should approve the Annual Work Plan and Annual Budget.

68. Among the management arrangements is the conformation of a technical advisory committee that will be formed by representatives of the Costa Rica Electrical Institute (ICE), National Light and Energy Company (CNFL), municipal companies, the cooperatives, the Association of Energy Producers (ACOPE), Occupational Health Council (Ministry of Labor), one representative of the Ministry of Health and one representative of the Technical Secretariat for the Coordination of Chemical Management.

69. The Project Manager will be responsible for the coordinating of all activities to achieve the objectives, outcomes and outputs set forth in this project. The Project Manager will report directly to the Project Director, which is the Director of the Direction of Environmental Quality, Ministry of Environment and Energy.

70. As the provider of the funds for this project, the GEF logo will appear on all project Publications. Any quote appearing publication of GEF funded projects must also acknowledge GEF's participation. The UNDP logo will be more visible and separate from the GEF logo, if possible, since for safety reasons UN visibility is more important.

71. In its role as GEF Implementing Agency (IA) for this project UNDP shall provide project cycle management services as defined by the GEF Council (described in Annex VII). The Government of Costa Rica shall request UNDP to provide direct project services specific to project inputs according to its policies and convenience. These services –and the costs of such services- are specified in the Letter of Agreement in Annex VII. In accordance with GEF Council requirements, the costs of these services will be part of the executing entity's Project Management Cost allocation identified in the project budget. UNDP and the Government of Costa Rica acknowledge and agree that these services are not mandatory and will only be provided in full accordance with UNDP policies on recovery of direct costs.

## 6. MONITORING FRAMEWORK AND EVALUATION

72. The project will be monitored through the following M&E activities. The M&E budget is provided in the table below, M&E workplan and budget.

### Project start

Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

The Inception Workshop should address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff *vis à vis* the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule Project Board meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

### Quarterly

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).

- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

### **Annually**

- Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (1 July to June 30). The APR/PIR combines both UNDP and GEF reporting requirements.

The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes (each with indicators, baseline data and end-of-project targets (cumulative)).
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports.
- Risk and adaptive management.
- ATLAS QPR.
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

### **Periodic Monitoring through site visits**

UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

### **Mid-term of project cycle**

The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (insert date). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the [UNDP Evaluation Office Evaluation Resource Center \(ERC\)](#).

The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

### **End of Project**

An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

73. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the [UNDP Evaluation Office Evaluation Resource Center \(ERC\)](#).

74. The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

75. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

### **Learning and knowledge sharing**

76. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

77. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

78. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

## M&E workplan and budget

| Type of M&E activity   | Responsible Parties  | Budget US\$<br><i>Excluding project team staff time</i>               | Time frame  |
|--|--|---|---|
| Inception Workshop and Report.   | <ul style="list-style-type: none"> <li>▪ Project Manager.</li> <li>▪ UNDP CO, UNDP GEF.</li> </ul>   | Indicative cost: 5,000  | Within first two months of project start up.  |
| Measurement of Means of Verification of project results.   | <ul style="list-style-type: none"> <li>▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li> </ul> | To be finalized in Inception Phase and Workshop.                      | Start, mid and end of project (during evaluation cycle) and annually when required. |
| Measurement of Means of Verification for Project Progress on <i>output and implementation</i>        | <ul style="list-style-type: none"> <li>▪ Oversight by Project Manager.</li> <li>▪ Project team.</li> </ul>   | To be determined as part of the Annual Work Plan's preparation.       | Annually prior to ARR/PIR and to the definition of annual work plans.               |
| ARR/PIR  | <ul style="list-style-type: none"> <li>▪ Project manager and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RTA</li> <li>▪ UNDP EEG</li> </ul>  | None  | Annually  |
| Periodic status/ progress reports  | <ul style="list-style-type: none"> <li>▪ Project manager and team</li> </ul>   | None  | Quarterly   |
| Mid-term Evaluation  | <ul style="list-style-type: none"> <li>▪ Project manager and team</li> <li>▪ UNDP CO</li> <li>▪ UNDP RCU</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>                             | Indicative cost: 20,000   | At the mid-point of project implementation.   |
| Final Evaluation   | <ul style="list-style-type: none"> <li>▪ Project manager and team.</li> <li>▪ UNDP CO.</li> <li>▪ UNDP RCU.</li> <li>▪ External Consultants (i.e. evaluation team).</li> </ul>                         | Indicative cost : 20,000  | At least three months before the end of project implementation.                     |
| Project Terminal Report  | <ul style="list-style-type: none"> <li>▪ Project manager and team.</li> <li>▪ UNDP CO.</li> <li>▪ Local consultant.</li> </ul>   | 0   | At least three months before the end of the project.                                |
| Audit  | <ul style="list-style-type: none"> <li>▪ UNDP CO.</li> <li>▪ Project manager and team.</li> </ul>  | Indicative cost per year: 5,000                                       | Yearly  |
| Visits to field sites  | <ul style="list-style-type: none"> <li>▪ UNDP CO.</li> <li>▪ UNDP RCU (as appropriate).</li> <li>▪ Government representatives.</li> </ul>  | For GEF supported projects, paid from IA fees and operational budget. | Yearly  |
| <b>TOTAL indicative COST</b><br>Excluding project team staff time and UNDP staff and travel expenses |  | <b>US\$ 65,000</b><br>(+/- 5% of total budget)                        |   |

## 7. LEGAL CONTEXT

79. Standard text has been inserted in the template. It should be noted that although there is no specific statement on the responsibility for the safety and security of the executing agency in the SBAA and the supplemental provisions, the second paragraph of the inserted text should read in line with the statement as specified in SBAA and the supplemental provision, i.e. “the Parties may agree that an Executing Agency shall assume primary responsibility for execution of a project.”

80. This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP’s property in the implementing partner’s custody, rests with the implementing partner.

81. The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.
- c) UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

82. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.



## **Annexes**

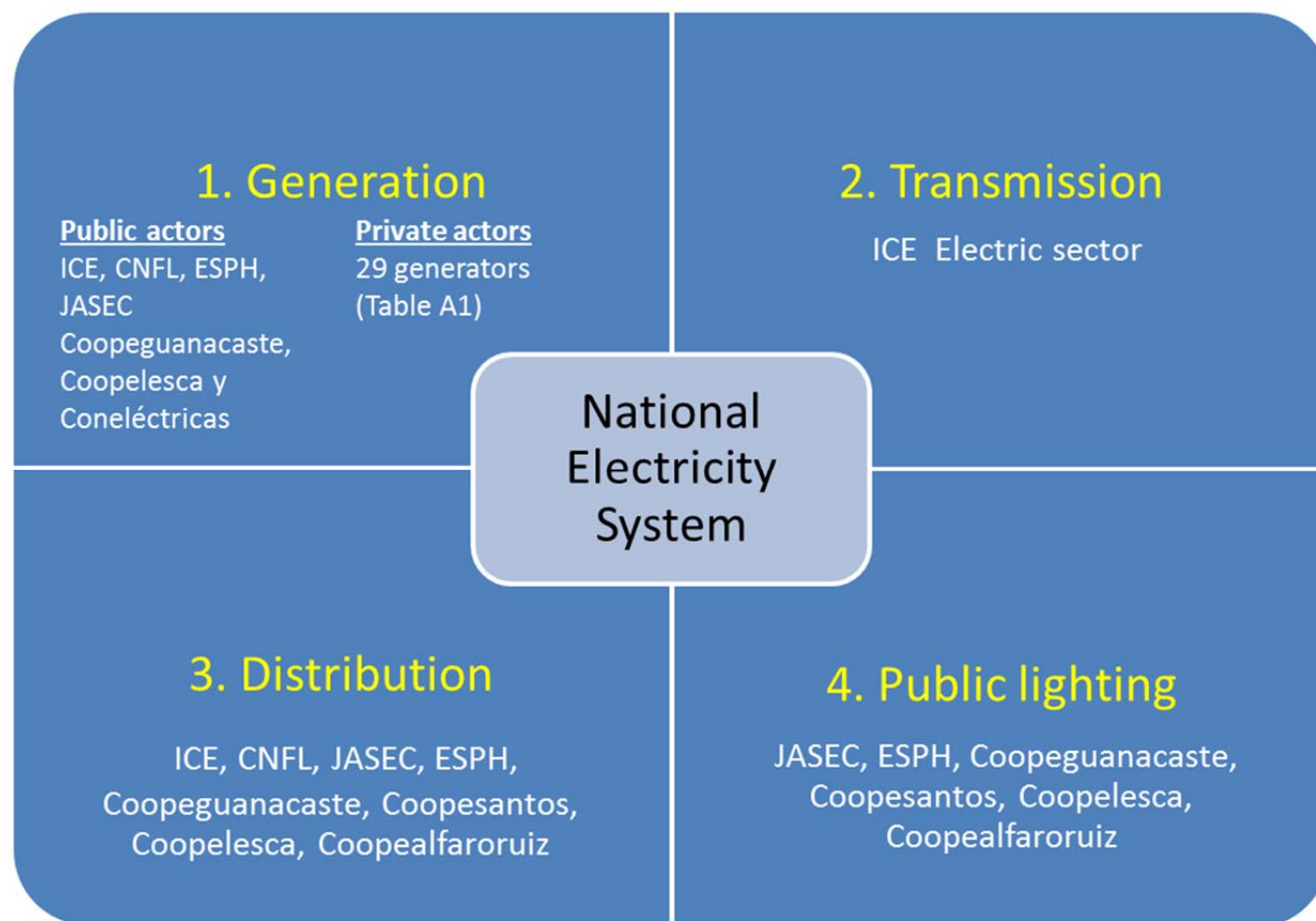
## Annex 1: Overview of Co-finance

### Co-finance for PCB project in Costa Rica

| Government of Costa Rica  | Colones                  | US Dollars            |
|---|--------------------------|-----------------------|
| Ministry of Environment and Energy  | ¢80.000.000              | US\$ 160.000          |
| <b>Total Government</b>   | <b>¢80.000.000</b>       | <b>US\$ 160.000</b>   |
| <b>Private Sector</b>   |                          |                       |
| <b>Electricity Generation and Distribution companies</b>                            |                          |                       |
| Instituto Costarricense de Electricidad, ICE  | ¢2.158.000.000           | US\$ 4.316.000        |
| Compañía Nacional de Fuerza y Luz, CNFL   | ¢639.966.690             | US\$ 1.279.933        |
| Coopealfaroruz R.L.   | ¢2.250.000               | US\$ 4.500            |
| Empresa Servicios Públicos de Heredia S.A.  | ¢165.849.065             | US\$ 331.698          |
| HOLCIM  | ¢200.000.000             | US\$ 400.000          |
| Coopesantos R.L.  | ¢378.924.355             | US\$ 757.848          |
| Coopesca R.L.   | ¢202.500.000             | US\$ 405.000          |
| Junta Administrativa del Servicio Eléctrico Municipal de Cartago, JASEC             | ¢135.382.000             | US\$ 270.764          |
| <b>Total Electricity Generation and Distribution companies</b>                      | <b>¢3.882.872.110</b>    | <b>US\$ 7.765.744</b> |
| <b>Laboratories</b>   |                          |                       |
| Unidad Regencia Química, Universidad de Costa Rica                                  | ¢86.265.000              | US\$ 172.530          |
| Laboratorio IRET, Universidad Nacional  | ¢80.500.000              | US\$ 161.000          |
| Centro de Electroquímica y Energía Química, CELEQ, Universidad de Costa Rica        | ¢41.000.000              | US\$ 82.000           |
| Centro de Investigación en Contaminación Ambiental, CICA, Universidad de Costa Rica | ¢184.000.000             | US\$ 368.000          |
| <b>Total Laboratories</b>   | <b>¢391.765.000</b>      | <b>US\$ 783.530</b>   |
| <b>Total Private Sector</b>   | <b>¢4.274.637.110</b>    | <b>US\$ 8.549.274</b> |
| <b>Total Co-finance</b>   | <b>¢4.354.637.110,00</b> | <b>US\$ 8.709.274</b> |

## Annex II: National Electricity System Descriptions

The National Electricity System (NES) includes Generation, Transmission and Distribution Systems. All NES elements are fully interconnected in a single transmission system.



The companies that make up the national electricity system are described in Tables A1 and A2.

### Electricity Generation

The Electricity system had an effective installed capacity of 2590 MW in December 2011, of which 65% is from hydroelectric plants, 21% from thermal plants, 8% from geothermal plants, 5% from wind farms and a 1% from biomass.

Of the installed capacity, ICE operates 77% with own plants and 14% with plants contracted to independent private generators. Tables A1 and A2, show the installed capacity of each company.

73% of the power generated in the country during 2011 was from hydroelectric sources. Only 9% of total production was generated with thermal source, in other words, 91% of the country generated power comes from non-fossil sources. This index is globally rare, especially for a country with an electricity coverage high rate, which currently stands at 99.28%.

<sup>5</sup> Instituto Costarricense de Electricidad, Costa Rica: National Electricity Sector 2011.

## **Private Generation**

Law N° 7200 authorizes private electricity generation in Costa Rica, limited to a maximum installed capacity scale of up to 20 MW for each company and from unconventional sources; in addition, the set of projects should not exceed 15% of the power plants total capacity that make up the National Electricity System. Any company that wants to generate electricity to sell to ICE must have at least 35% of its social capital owned by nationals. Most of these companies are incorporated in the Costa Rican Electricity Producers Association, ACOPE.

## **Transmission**

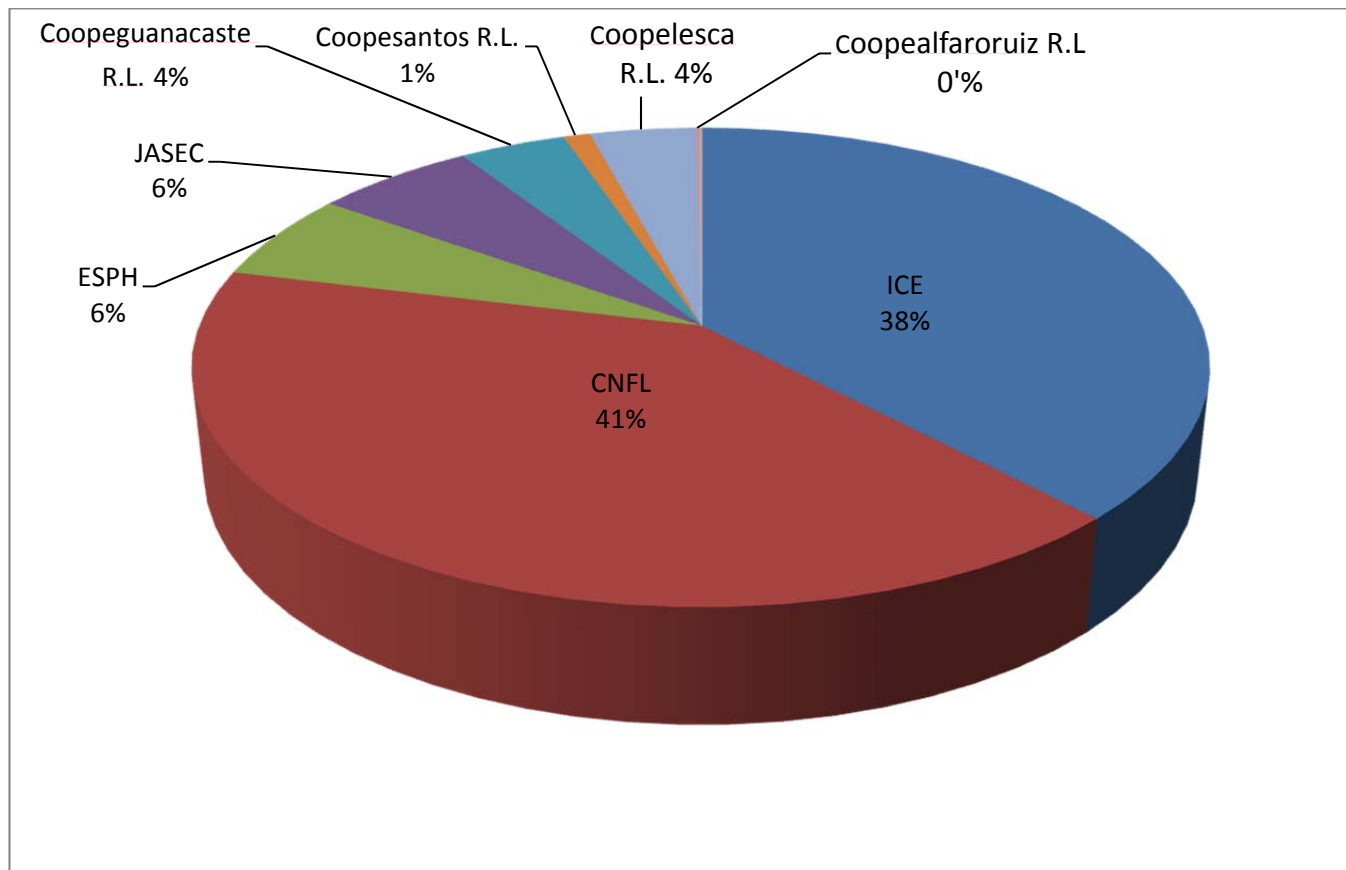
The electricity transmission network in Costa Rica is composed of substations, transmission lines, transformers and reactive power compensation equipment. It operates in two main voltage levels; the most important is 230 kV because of its location, allowing transporting large blocks of power from the north zone and from the Atlantic. Level of 138 kV is mainly located in the central area which forms a central ring.

By December 2010, the transportation network included 57 substations, 47 are for transmission and 10 for distribution. The total transformation capacity was of 8,214 MVA provided through 175 transmission transformers (7954 MVA) and 31 distribution transformers (261 MVA).

## **Distribution**

ICE and CNFL serve a larger number of customers, as jointly serve 78% of all electricity customers. The following figure shows the distribution companies participation in the national system.

**Figure 2.** Distribution companies participation in the national system.



**Table A1.** List of electricity generators public enterprises

| Name  | Description  | Source   | Installed Power KW | Location              |
|---|--|--|--------------------|-----------------------|
| ICE (Instituto Costarricense de Electricidad)   | A 100% autonomous state institution, largest electricity generator in the country, responsible for electricity transmission and distribution.                    | Hydroelectric, geothermal, thermal, wind power | 1899339            | Countrywide           |
| CNFL (Compañía Nacional de Fuerza y Luz)        | Public company under private law, main distributor of electricity, ICE subsidiary that owns 98% of the shares of CNFL S.A. The remaining 2% is in private hands. | Hydroelectric                                  | 96503              | Countrywide           |
| ESPH (Empresa de Servicios Públicos de Heredia) | Municipal Institution, electricity distributor; generates small amounts of electricity in their own plants.  | Hydroelectric                                  | 19850              | Heredia               |
| JASEC   | Municipal Institution, electricity distributor; generates small amounts of electricity in their own plants.  | Hydroelectric                                  | 26469              | Cartago               |
| Copeguanacaste R.L.                             | Rural electrification cooperatives, developed in electricity distribution, some of which happen to be generators.  | Hydroelectric                                  | 17500              | Guanacaste            |
| Coopesantos R.L.                                |  |  | -                  | Zona de Los Santos    |
| Coopelesca R.L.                                 |  | Hydroelectric                                  | 42799              | San Carlos            |
| Coopealfaroruiz R.L.                            |  |  | -                  | Cantón de Alfaro Ruiz |
| CONELÉCTRICAS R.L y CONSORCIO CUBUJUQUÍ, R.L.   | Rural electrification cooperatives consortia have projects which allow them to supply subscribers of the distribution area.                                      | Hydroelectric                                  | 26500              | Rural areas           |

**Table A2.** List of electricity generators private entities that have concession with ICE<sup>6</sup>

| Company name                          | Plant name     | Source        | Installed power KW | Location                             |
|---------------------------------------|----------------|---------------|--------------------|--------------------------------------|
| AEROENERGIA S.A.                      | AEROENERGIA    | Wind power    | 6.750              | Tilarán, Guanacaste                  |
| AZUCARERA EL VIEJO S.A.               | EL VIEJO       | Biomass       | 20.000             | Filadelfia, Guanacaste               |
| CIA. HIDROELÉCTRICA DOÑA JULIA S.R.L. | DOÑA JULIA     | Hydroelectric | 16.470             | Horquetas, Sarapiquí, Heredia        |
| DESARROLLOS ENERGÉTICOS MW S.A.       | SAN GABRIEL    | Hydroelectric | 200                | Monterrey de Aserrí, San José        |
| ELÉCTRICA MATAMOROS S.A.              | MATAMOROS      | Hydroelectric | 3.819              | Ciudad Quesada, San Carlos, Alajuela |
| EL EMBALSE, S.A.                      | EL EMBALSE     | Hydroelectric | 2.000              | Ciudad Quesada, San Carlos, Alajuela |
| HIDROELÉCTRICA AGUAS ZARCAS S.A.      | HIDROZARCAS    | Hydroelectric | 14.208             | Aguas Zarcas, San Carlos, Alajuela   |
| HIDROELÉCTRICA CAÑO GRANDE S. A.      | CAÑO GRANDE    | Hydroelectric | 2.905              | Venecia, San Carlos, Alajuela        |
| HIDROELÉCTRICA PLATANAR S.A.          | PLATANAR       | Hydroelectric | 14.594             | Platanar, San Carlos, Alajuela       |
| HIDROELÉCTRICA RÍO LAJAS S.A.         | RÍO LAJAS      | Hydroelectric | 11.000             | San Martín, Turrialba, Cartago       |
| HIDROVENECIA S.A.                     | HIDROVENECIA   | Hydroelectric | 3.375              | Venecia, San Carlos, Alajuela        |
| INGENIO TABOGA S.A.                   | TABOGA         | Biomass       | 20.000             | Cañas, Guanacaste                    |
| INVERSIONES LA MANGUERA S.A.          | LA ESPERANZA   | Hydroelectric | 5.506              | La Tigra, San Carlos, Alajuela       |
| LA REBECA DE LA MARINA S.A.           | REBECA I       | Hydroelectric | 60                 | La Marina, San Carlos, Alajuela      |
| LOSKO S. A.                           | POAS I Y II    | Hydroelectric | 2.125              | Poás, Alajuela                       |
| LOSKO S. A.                           | RÍO SEGUNDO II | Hydroelectric | 1.074              | Bajos del Toro, Grecia, Alajuela     |
| MOLINOS DE VIENTO DEL ARENAL S.A.     | MOVASA         | Wind power    | 20.000             | Tilarán, Guanacaste                  |
| PETERS S.A.                           | SANTA RUFINA   | Hydroelectric | 336                | Sarchí Sur, Valverde Vega, Alajuela  |
| P.H. DON PEDRO S.A.                   | DON PEDRO      | Hydroelectric | 14.000             | San Miguel, Sarapiquí, Heredia       |

<sup>6</sup> Data supplied by the Department of Contract's Administration, UEN CENCE, updated in January 2012.

|                                |                 |               |        |                                 |
|--------------------------------|-----------------|---------------|--------|---------------------------------|
| P.H. RÍO VOLCÁN S.A.           | VOLCÁN          | Hydroelectric | 17.000 | San Miguel, Sarapiquí, Heredia  |
| PLANTA ELÉCTRICA TAPEZCO LTDA. | TAPEZCO         | Hydroelectric | 186    | Bajo Tapezco, Zarcero, Alajuela |
| PLANTAS EÓLICAS S.R.L.         | PLANTAS EÓLICAS | Wind power    | 23.780 | Tilarán, Guanacaste             |
| SUERKATA S.R.L.                | SUERKATA        | Hydroelectric | 3.000  | Varablanca, Heredia             |



## Annex III: National Development Plan and National Implementation Plan on POPs.

***The relation to the “Environmentally sound management and disposal of PCBs in Costa Rica” Project objectives with the Stockholm Convention (NIP) objectives are described below.***

The National Development Plan 2011-2014 of the Government of Costa Rica is a guiding framework of the Government, which collects national, sectoral and regional development priorities, establishing policies, objectives, priority actions and goals in a coherent and binding way with the State institutions and bodies that define the work of the Executive<sup>7</sup>.

This plan includes actions to comply with a Millennium Development Goal which states: "Ensure environmental sustainability"<sup>8</sup>.

The National Development Plan's Environmental Policy guidelines indicate a strategic action in this issue that sets the National Implementation Plan for Environmental Quality and the Environmental Protection Agency System SIPA conformation.<sup>9</sup>

The "Chemical Substances" issue is referred in this National Implementation Plan for Environmental Quality whose objectives integrate the following issues:

- public policy aspects
- legal, regulatory aspects
- monitoring, surveillance, control and regulation
- access to information<sup>10</sup>

Meanwhile, the general objective of the National Implementation Plan of the Stockholm Convention (NIP)<sup>11</sup> is: to protect human health and the environment from Persistent Organic Pollutants in Costa Rica within the implementation of the Stockholm Convention framework.

In order to accomplish the objective, six priority work areas were defined:

1. Legal Strengthening
2. Institutional Strengthening
3. PCBs Management
4. Pesticides Management
5. Dioxins and Furans Management
6. Citizen awareness, communication and participation

An action plan with their respective objectives for each working area was defined.

The four components of the Project Integrated PCB Management in Costa Rica are related to the National Implementation Plan for PCB management specific objectives and with the objectives outlined in the Environmental Quality National Plan. This relationship is shown in the following table.

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<sup>7</sup> Ministry of National Planning and Economic Policy, National Development Plan 2011-2014 of the Government of Costa Rica. Page 19

<sup>8</sup> Idem page 108

<sup>9</sup> Idem page 204

<sup>10</sup> Environmental Quality Management Department, MINAET, National Environmental Quality Program 2010-2015, page 30.

<sup>11</sup> Environmental Quality Management Department, MINAET. National Implementation Plan for Stockholm Convention Persistent Organic Pollutant Management in Costa Rica. January, 2009.

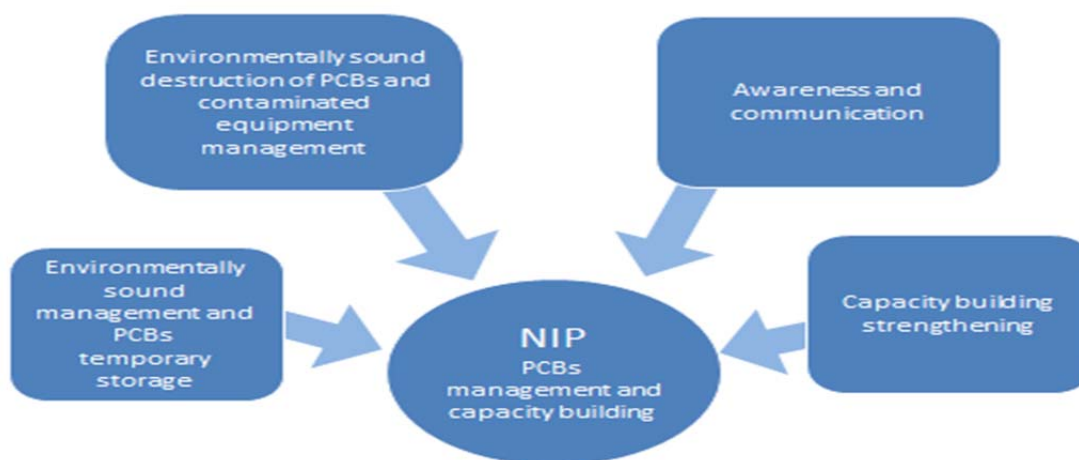
**Table 2** Environmental Quality National Plan objectives relation with the National Implementation Plan (NIP) objectives and the “Environmentally sound management and disposal of PCBs in Costa Rica” Project components

| Environmental Quality National Plan: Chemical Substances |  | National Implementation Plan (NIP) |  | Components of the Project  |
|--|--|------------------------------------|--|--|
| Strategic Axis   | Objective  | Action Plan                        | Objective  |  |
| Public policy aspects                                    | To develop, disseminate and implement a State policy on chemicals substances management.                                     | Legal strengthening                | <ul style="list-style-type: none"> <li>To establish a national policy for the integral management of chemicals products and their wastes.</li> </ul>   |  |
| Legal, regulatory aspects                                | To support reviewing, updating and building regulations related to chemicals substances.                                     | Legal strengthening                | <ul style="list-style-type: none"> <li>To create legal instruments related to POPs management</li> <li>To establish a policy of instrument and economic incentives, recognition for environmental sound management of Chemical Substances.</li> </ul>  |  |
|  |  | PCBs management                    | <ul style="list-style-type: none"> <li>To develop and update legislation with clear norms for the adequate management of PCBs</li> </ul>   | Strengthening institutional capacity for the environmentally sound management of PCBs.   |
| Monitoring, surveillance, control and regulation         | To create an institutional, social and business network to survey and monitor the proper management of chemicals substances. | Institutional strengthening        | <ul style="list-style-type: none"> <li>To strengthen inter-sector coordination in terms of an integral management with a lifecycle approach</li> <li>Strengthen the abilities to control and follow up the safe operation of DCS*.</li> </ul>  | Strengthening institutional capacity for the environmentally sound management of PCBs.   |
|  |  | PCB Management                     | <ul style="list-style-type: none"> <li>To develop action plans and protocols for the operation and elimination of equipment with PCBs.</li> <li>To establish temporary stocking infrastructures.</li> <li>To strengthen analytical capacity.</li> <li>To provide an adequate final disposal to equipment with PCBs.</li> <li>To identify and characterize contaminated sites.</li> <li>To develop criteria to select methodologies and procedures to decontaminate PCBs polluted sites.</li> </ul> | Environmentally sound management and PCB temporary storage.<br><br>Environmentally sound destruction of PCB and contaminated equipment management. |
| Access to information                                    | To generate and analyze information on DCS   | Institutional strengthening        | <ul style="list-style-type: none"> <li>To establish a national information system on COP</li> </ul>  |  |
|  |  | PCBs management                    | <ul style="list-style-type: none"> <li>To train and inform</li> </ul>  | Awareness and communication  |
|  | To keep citizens updated on DCS  |                                    |  |  |

\*DCS: Dangerous Chemical Substances

Evidently, the objectives of the Environmental Quality Plan are wider since it ranged chemicals substances in general and include State policy aspects at the macro level that this project does not include. However, the project's components are perfectly correlated with the PCBs Action Plan of the National Implementation Plan. The following figure clearly shows this relationship.

**Figure1.** NIP (National Implementation Plan) objectives relation to project objectives.



## Annex IV – Legal and Institutional Framework

***The subsequent section gives an executive summary of the legal and institutional framework for environmentally sound management and disposal of PCBs in Costa Rica.***

Costa Rica adopted the Stockholm Convention on Persistent Organic Pollutants, by Law No. 8538 of August 23, 2006 and ratified it by Executive Decree No. 33438 of November 6, 2006. Likewise, Costa Rica adopted the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, by Law No. 7438 of October 6, 1994.

Executive Decree No. 30050-S banned from the 2011, to **manufacture, import, transit, registration, marketing and use** of raw material or product containing PCBs. National legislation also consider PCBs as hazardous waste. There is also legislation for dangerous products transport and use of waste as fuel in cement kilns where PCBs are a controlled substance.

Significant legislation on handling, storage and disposal of hazardous waste has been given in the past two years, such as the Law for Integrated Waste Management, adopted in 2010, and the General Regulations to the Law for Integrated Waste and General Rules for Classification and Hazardous Waste Management, the latter two are about to be officially published.

This legislation as a whole has already significant progress when establishing aspects as generators' liability for hazardous waste throughout their life cycle, the need on that they have to be treated only by authorized managers, establishes regulations for contaminated soils and their cleaning, procedures for waste exportation through the Basel Convention, the maximum period of six months for hazardous waste storage, and also establishes penalties for its improper operation. On the hazardous waste final disposal issue, establishes exportation as the recommended option and any other alternative must be authorized by the Ministry of Health and comply with current legislation. In this sense, there is a lot of general requirements that a facility such as a transfer center has to meet to be able to operate, i.e. to have environmental viability, that land use is consistent with the master plan, building permit, sanitary permit to operate including a hazardous waste management plan, a risk management and emergency care plan, an occupational health plan, as well as a municipal patent and be registered as an authorized manager in the Ministry of Health.

There is a whole **institutional framework** to implement this legislation and has divided powers in various institutions. On one side, the Ministry of Health dictates policies, regulations and standards to protect people's health by PCB management. It is the focal point for the Basel Convention purposes and the governing body in the integrated waste management matter. For its part, the **Ministry of Environment, Energy and Telecommunications (MINAET)**, bears competences to protect natural resources and environment in general from PCBs impacts and is also the focal point for the Stockholm Convention purposes. It works through the Environmental Quality Management Department (DIGECA) and the (*Contraloría Ambiental*) Environmental Comptroller.

Furthermore, there is an **Occupational Health Council** in the country, is in charge of protecting all workplaces' health conditions and to propose regulations on the matter. The **Directorate General of Customs** has also a key role though has to check all goods entering or leaving the country, so they thus supervise that no PCB is imported and those that are exported do so in accordance with current legislation. Besides, the **Regulatory Authority for Public Services (ARESEP)**, is responsible to approve tariffs for electricity services, for which they have to take into account issues such as transformers' proper handling. Aimed to search for an interagency coordination, the **Technical Secretariat for Chemical Substances Management Coordination** was created, involving both public institutions and other sectors. However, not all stakeholders interested in PCB area are represented in this secretariat.

The study identified the following **obstacles** for an environmentally sound management of PCB:

- It is a little-known issue and therefore has no political priority.

- The legal framework has improved but is still very general as there are no specific regulations for a complex subject as PCBs.
- The governing ministries ability to monitor and control is a major weakness. In other institutions, the limitation is the specifics of the issue and the lack of specialized personnel.
- No incentives for safe management of PCBs, although now there are some disincentives such as sanctions or liability for damages.
- There is a scientific and legal uncertainty on laboratory tests that are done in the country.
- Due to lack of awareness among decision makers and the difficulty to invest financial resources in the field, the electricity companies' institutional commitment is difficult to maintain in the medium term.
- There is little knowledge of current legislation and responsibilities as generators of PCB.
- The risks to health and occupational safety management of PCBs are the weakest issues and where legislation is more outdated.
- Reports are volunteers which makes them less reliable.

Therefore the creation of rules on environmentally sound management of PCBs is **recommended** including, among other, the following:

- institutional competencies and permits;
- acceptable levels of PCBs in contaminated products;
- mandatory reporting of stocks;
- traceability of products by the generator and the manager;
- safety rules for PCB handling (protocol on entry to storage or disassembly sites);
- maintenance, storage or transfer facilities requirements; (waterproofing of floors, walls, filters);
- PCB destruction technical Protocol;
- emission standards;
- waste management procedure;
- procedure for spill and containment equipment;
- regulations for contaminated soil or water;
- standards of occupational safety and personal protective equipment;
- previous and periodic medical examinations to PCB handlers;
- methods and procedures to remediate PCB-contaminated sites;
- protocol for actions in case of emergencies;
- Incentives.

It is also recommended to create an inventory of companies who maintain transformers, similar to the one for ODS manipulators and define the appropriate legal figure for the transference center operation.

For the several stakeholders participation in the implementation of legislation is recommended:

- To create a Working Committee on PCB within the Secretariat to develop the proposed legal instruments, with the participation of generators, operators, maintenance companies and laboratories, also will serve as a coordination and information exchange forum.
- To use international standards reference when domestic legislation absence, such as the "Technical Guidelines for the environmentally sound management of PCB" which is permitted by national law.
- To review comparative legislation for the necessary legal reforms.
- To explore, together with ARESEP, the possibility to include the proper PCBs management cost into the electricity bills.
- To establish a task force with senior technical staff of MINSALUD, DIGECA, Environmental Comptroller and Occupational Health Council, to undertake joint visits, inspections and to develop inspection protocols.
- To develop the concept of "responsible professional" of hazardous waste to assist companies in enforcing the legislation.
- To explore the possibility to establish an Integrated PCB Management Sectorial plan within the project framework, jointly with the Electricity Sector.

## Annex V – Project Stakeholders

| Sector        | Name  | Description   | Relationship with the Project   |
|---------------|---|---|---|
| Public        | Ministry of Environment, Energy And Telecommunications      | National competent authority responsible for coordinating the actions arising from the Stockholm Convention implementation.   | Through its agency, Environmental Quality Management Direction (DIGECA), monitors project's implementation and hosts the project's coordination office.   |
|               | Technical Coordination Secretariat for Chemicals Management | Secretariat in support of national authorities and focal points of the various conventions related to chemicals. Participating representatives from Chamber of Industry, National Centre for Cleaner Production, University of Costa Rica, the National University, Directorate General of Customs, Ministry of Agriculture and Livestock, Ministry of Foreign Affairs, Ministry of Health, Firefighters, among others. | The Secretariat will be informed on Project's implementation. Will specifically request their cooperation in PCB rules and destruction pilot schemes validation activities.   |
|               | Ministry of Health  | In charge authority for ensuring population's health. Is responsible for health policy and training definition, all activities related to public and private health planning and coordination. The Ministry of Health is the governing body for integrated waste management, with management, monitoring, evaluation and control powers.  | According to the Integral Waste Management Law, the Ministry of Health is responsible for inspecting and monitoring dangerous waste management. It is the Basel Convention focal point therefore should approve PCBs exportation for destruction. It is responsible for providing metals recovery operation and local PCB wastes disposal permits. Ensure air emissions from cement kilns. The Ministry of Health shall issue the contaminated soil declaration and take cleaning and recovery necessary actions. |
|               | Ministry of Labour and Social Security                      | Authority regarding worker protection, has a Social Security Vice Minister and Occupational Health Council is the specialized institution, to provide advice and attend occupational health legal regulations breaches complaints as some of its objectives.  | The Council will be incorporated in the validation process related to worker protection when managing PCB regulations.  |
|               | Ministry of Economy, Industry and Commerce                  | This ministry is responsible for encouraging and supporting economic and social development through policies facilitating market, consumer protection, regulatory improvements, promoting competitiveness and boost entrepreneurship proper functioning.  | Fulfilling its aim of simplifying procedures, MEIC must approve the rules to be generated in the project while avoiding additional procedures that affect country's competitiveness.  |
| Public owners | Instituto Costarricense de Electricidad, ICE                | A 100% autonomous state institution, largest electricity generator in the country, responsible for electricity transmission and distribution.   | Owner of transformers, will actively participate in the project. Has invested in the PCB storage and analytical capacity of oils through the Laboratorio de Investigación y Mantenimiento de transformadores, LIMAT.  |

|                                  |  |  |  |
|----------------------------------|--|--|--|
|                                  | Compañía Nacional de Fuerza y Luz, CNFL                        | Public company under private law, main distributor of electricity, ICE subsidiary that owns 98% of the shares of CNFL S.A. The remaining 2% is in private hands.   | Owner of transformers, will actively participate in the project. Is about to hire decontamination service of their transformers.   |
| Municipal owners                 | Empresa de Servicios Públicos de Heredia, ESPH                 | Municipal Institution, electricity distributor; generates small amounts of electricity in their own plants.  | Active participation in updating the PCBs National Inventory. As an owner shall ensure equipment and contaminated oils proper management. Will participate in training activities.                               |
|                                  | Junta Administradora de Servicios Eléctricos de Cartago, JASEC | Municipal Institution, electricity distributor; generates small amounts of electricity in their own hydroelectric plants.  |  |
| Cooperativas                     | Coopesca R.L   | Rural located cooperatives, in charge of electricity distribution and generators of small amounts of electricity.  |  |
|                                  | Coopelfaroruiz R.L   |  |  |
|                                  | Coopeguanacaste R.L  |  |  |
|                                  | Coopesantos R.L  |  |  |
| Private owners                   | Asociación Costarricense de Productores de Energía, ACOPE      | Nonprofit organization aimed to review and promote laws mandating energy production updating in Costa Rica, permanent liaison with national authorities and international organizations involved in energy production. | Communication channel of the project and its partners progress.  |
|                                  | Private generators   | Private companies with investments in electricity production mainly hydroelectric and in a much lesser scale, wind generation.   | Active participation in updating the PCBs National Inventory. As an owner shall ensure equipment and contaminated oils proper management. Will participate in training activities.                               |
| Transformers maintenance service | Enerpot S.A.   | Private companies that provide maintenance services to transformers in the country.  | These companies will be trained in the rules of PCBs contaminated transformers handling. They can support in the National Inventory updating.  |
|                                  | Almond S.A.  |  |  |
|                                  | Eléctricas Matamoros S.A                                       |  |  |
| Cement plants                    | Holcim   | Is the largest producer and supplier of cement, aggregates and ready-mixed concrete of Costa Rica.   | Potential provider for combustion of PCB contaminated oils in their cement kiln. Additionally Holcim owns a power generation company, Aguas Zarcas Hydroelectric S.A., so will participate in the PCB inventory. |
|                                  | CEMEX  | Producer and supplier of cement, aggregates and concrete.  | Potential provider for combustion of PCB contaminated oils in their cement kiln.   |

|              |   |  |  |
|--------------|---|--|--|
| Laboratories | Instituto Regional de Estudios en Sustancias Tóxicas (IRET) | Academic Excellence Center of public nature, with national, regional and international projection. It belongs to the National University (UNA). Among their working lines are: 1. Diagnostic of use and search for pesticides and other toxic substances alternatives in Central. 2. Continuous training and education in occupational health, ecotoxicology and environmental health in Central America. 3. Chemical exposures indicators in Central America and the Caribbean. | IRET provides analytical services through the Laboratory for Toxic Substances Residue Analysis. The test to determine PCBs in transformer's oils is currently in an accreditation process.   |
|              | Centro de Electroquímica y Energía Química (CELEQ)          | Center of Electrochemistry and Chemical Energy. CELEQ is a research center of the University of Costa Rica. It has two units: research unit and external linkage unit. The external linkage unit provides analytical services to RECOPE, institution in charge of fuels imports and national distribution.   | CELEQ is a well recognized laboratory with experience in hydrocarbons chemical analysis. The director has been interested in developing PCBs analysis capacity. Recently CELEQ invested \$10,000 in reference materials and reactives to conduct PCB analysis.   |
|              | Centro de Investigación en Contaminación Ambiental, CICA    | Center for Research on Environmental Pollution, CICA. CICA is a research unit of the University of Costa Rica dedicated to the study of environmental pollution, its causes and effects on humans, animals, plants and their physical environment.   | The laboratory has the equipment and specialized professionals to perform PCB analysis, but it is not accredited.  |
|              | Chemical Regency Unit, University of Costa Rica             | The Chemical Regency Unit is in charge of treatment and disposal of hazardous wastes released by the University of Costa Rica, which is the biggest public university in the country.  | The Chemical Regency Unit offers its 70 square meter laboratory and 1020 square meter land to establish the Transfer Center, or at least, part of it.  |
|              | Centro de Electroquímica y Energía Química (CELEQ)          | CELEQ belongs to University of Costa Rica. It is divided in two units: research and external linkage. The external linkage unit offers analytical services to RECOPE, the national fuel supplier.  | CELEQ is a well recognized laboratory with experience in hydrocarbons chemical analysis. The director has been interested in developing PCBs analysis capacity. Recently CELEQ invested \$10,000 in reference materials and reactives to conduct those analysis. |
|              | Lambda  | Private Laboratory who offers analysis of water, soil, air and other.  | The laboratory is accredited to determine PCBs in transformer's oils, liquid waste and solid waste by gas chromatography with ECD or MS detector. Reference: ASTM Method D-4559-00, D 6160-98 (2003). Instrumental range (0.01 - 1000) mg / kg.                  |
|              | Chemlabs  | Private Laboratory who offers analysis of water, soil, air and other.  | The laboratory is accredited for determine PCBs in transformer's oil and waste oil by SUPELCO, USA, GC-MASS. Analysis range from 0.05 to 1 000.00 ± 0.04 mg / kg.  |



## Annex VI: Project Cycle Management Services

| Stage   | Country Office <sup>12</sup>   | UNDP/GEF   |
|---|--|--|
| <b>Identification, Sourcing/Screening of Ideas, and Due Diligence</b> | Identify project ideas as part of country programme/CPAP and UNDAF/CCA.  | <ul style="list-style-type: none"> <li>• Technical input to CCA/UNDAs and CPAPs where appropriate.</li> <li>• Input on policy alignment between projects and programmes.</li> <li>• Provide information on substantive issues and specialized funding opportunities (SOFs).</li> <li>• Policy advisory services including identifying, accessing, combining and sequencing financing.</li> <li>• Verify potential eligibility of identified idea.</li> </ul>           |
|   | Assist proponent to formulate project idea / prepare project idea paper (e.g. GEF PIF/PPG).  | <p><i>Technical support:</i></p> <ul style="list-style-type: none"> <li>• Research and development.</li> <li>• Provide up-front guidance.</li> <li>• Sourcing of technical expertise.</li> <li>• Verification of technical reports and project conceptualization.</li> <li>• Guidance on SOF expectations and requirements.</li> <li>• Training and capacity building for Country Offices.</li> </ul>  |
|   | <p><i>Appraisal:</i></p> <ul style="list-style-type: none"> <li>• Review and appraise project idea.</li> <li>• Undertake capacity assessments of implementing partner as per UNDP POPP.</li> <li>• Environmental screening of project as and when included in UNDP POPP.</li> <li>• Monitor project cycle milestones.</li> </ul>   | <ul style="list-style-type: none"> <li>• Provide detailed screening against technical, financial, social and risk criteria.</li> <li>• Determine likely eligibility against identified SOF.</li> </ul>   |
|   | <p><i>Partners:</i></p> <ul style="list-style-type: none"> <li>• Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc</li> </ul>   | <ul style="list-style-type: none"> <li>• Assist in identifying technical partners.</li> <li>• Validate partner technical abilities.</li> </ul>   |
|   | <p><i>Obtain clearances:</i></p> <ul style="list-style-type: none"> <li>• Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc.</li> </ul>  | <ul style="list-style-type: none"> <li>• Obtain SOF clearances.</li> </ul>   |
| <b>Project Development</b>  | <p><i>Initiation Plan:</i></p> <ul style="list-style-type: none"> <li>• Management and financial oversight of Initiation Plan</li> <li>• Discuss management arrangements</li> </ul>  | <ul style="list-style-type: none"> <li>• Technical support, backstopping and troubleshooting.</li> <li>• Support discussions on management arrangements</li> <li>• <b>Facilitate</b> issuance of DOA</li> </ul>  |
|   | <p><i>Project Document:</i></p> <ul style="list-style-type: none"> <li>• Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc.</li> <li>• Review, appraise, finalize Project Document.</li> <li>• Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc.</li> <li>• Respond to information requests, arrange revisions etc.</li> </ul> | <p><i>Technical support:</i></p> <ul style="list-style-type: none"> <li>• Sourcing of technical expertise.</li> <li>• Verification of technical reports and project conceptualization.</li> <li>• Guidance on SOF expectations and requirements.</li> <li>• Negotiate and obtain clearances by SOF</li> <li>• Respond to information requests, arrange revisions etc.</li> <li>• Quality assurance and due diligence.</li> <li>• Facilitate issuance of DOA</li> </ul> |

<sup>12</sup> As per UNDP POPP with additional SOF requirements where relevant.

| Stage  | Country Office <sup>12</sup>  | UNDP/GEF   |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>Prepare operational and financial reports on development stage as needed.</li> </ul>   |  |
| <i>Key UNDP/GEF management performance indicators/targets for Project Development:</i>   |   |  |
| <ol style="list-style-type: none"> <li>Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> <li>Target for GEF trust fund project: FSP = 18 months or less, MSP 12 months or less.</li> <li>Target for LDCF and SCCF: FSP/MSP = 12 months or less.</li> </ul> </li> <li>Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> <li>Target = 4 months or less</li> </ul> </li> </ol> |   |  |
| <b>Project Oversight</b>   | <i>Management Oversight and support</i>   | <i>Technical and SOF Oversight and support</i>   |
|  | <i>Project Launch/Inception Workshop</i> <ul style="list-style-type: none"> <li>Preparation and coordination.</li> </ul>  | <ul style="list-style-type: none"> <li>Technical support in preparing TOR and verifying expertise for technical positions.</li> <li>Verification of technical validity / match with SOF expectations of inception report.</li> <li>Participate in Inception Workshop</li> </ul>  |
|  | <i>Management arrangements:</i> <ul style="list-style-type: none"> <li>Facilitate consolidation of the Project Management Unit, where relevant.</li> <li>Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RTA.</li> <li>Provide project assurance role if specified in project document.</li> </ul>   | <ul style="list-style-type: none"> <li>Technical input and support to TOR development. Troubleshooting support.</li> <li>Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process.</li> </ul>   |
|  | <i>Annual WorkPlan:</i> <ul style="list-style-type: none"> <li>Issuance of AWP.</li> <li>Monitor implementation of the annual work plan and timetable.</li> </ul>   | <ul style="list-style-type: none"> <li>Advisory services as required</li> <li>Review AWP, and clear for ASL where relevant.</li> </ul>   |
|  | <i>Financial management:</i> <ul style="list-style-type: none"> <li>Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget.</li> <li>Ensure necessary audits.</li> </ul>   | <ul style="list-style-type: none"> <li>Allocation of ASLs, based on cleared AWP</li> <li>Return of unspent funds to donor</li> <li>Monitor projects to ensure activities funded by donor comply with agreements/ProDocs</li> <li>Oversight and monitoring to ensure financial transparency and clear reporting to the donor</li> </ul> |
|  | <i>Results Management:</i> <ul style="list-style-type: none"> <li>Alignment: link project output to CPAP Outcome in project tree in Atlas, link CPAP outcome in project tree to UNDP Strategic Plan Environment and sustainable Development Key Result Area as outlined in project document during UNDP work planning in ERBM.</li> <li>Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance.</li> <li>Monitoring and reporting: Monitor project results, track result framework indicators, and co-financing where relevant. Monitor risks in Atlas and prepare annual APR/PIR report where required by donor and/or UNDP/GEF.</li> <li>Annual site visits – at least one site visit</li> </ul> | <ul style="list-style-type: none"> <li>Advisory services as required.</li> <li>Quality assurance.</li> <li>Project visits – at least one technical support visit per year.</li> </ul>  |

| Stage   | Country Office <sup>12</sup>   | UNDP/GEF   |
|---|--|--|
|   | per year, report to be circulated no later than 2 weeks after visit completion.  |  |
|   | <p><i>Evaluation:</i></p> <ul style="list-style-type: none"> <li>• Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations.</li> <li>• Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports.</li> <li>• Participate as necessary in other evaluations.</li> <li>• Ensure tracking of committed and actual co financing as part of mid-term and final evaluations.</li> <li>• Prepare management response to project evaluations and post in UNDP ERC.</li> </ul> | <ul style="list-style-type: none"> <li>• Technical support and analysis.</li> <li>• Quality assurance.</li> <li>• Compilation of lessons and consolidation of learning.</li> <li>• Dissemination of technical findings.</li> <li>• Participate as necessary in other SOF evaluations.</li> </ul> |
|   | <p><i>Project Closure:</i></p> <ul style="list-style-type: none"> <li>• Final budget revision and financial closure (within 12 months after operational completion).</li> <li>• Final reports as required by donor and/or UNDP/GEF.</li> </ul>   | <ul style="list-style-type: none"> <li>• Advisory services as required.</li> <li>• Technical input.</li> <li>• Quality assurance.</li> </ul>   |
| <p><i>Key UNDP GEF management performance indicators/targets for Project Oversight:</i></p> <ol style="list-style-type: none"> <li>1. Each project aligned with country outcomes and UNDP Strategic Plan Environment and Sustainable Development key results, and included in Country Office Integrated Work Plan in the ERBM: <ul style="list-style-type: none"> <li>• Target = 100%</li> </ul> </li> <li>2. Quality rating of annual APR/PIRs: Once completed and submitted, the quality of each project APR/PIR is rated by an external reviewer <ul style="list-style-type: none"> <li>• Target = Rating of Satisfactory or above</li> </ul> </li> <li>3. Quality rating of Terminal Evaluations: Once completed, the quality of each terminal evaluation is rated by an external reviewer <ul style="list-style-type: none"> <li>• Target = Rating of Satisfactory or above</li> </ul> </li> <li>4. Quality of results achieved by project as noted in terminal evaluation: the independent evaluator assigns an overall rating to the project. <ul style="list-style-type: none"> <li>• Target = Satisfactory or above</li> </ul> </li> </ol> |  |  |

## Annex VII – Letter of Agreement for Direct Project Services

### Letter of Agreement

#### STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF COSTA RICA FOR THE PROVISION OF SUPPORT SERVICES

Dear Ms. Maria Guzman.

Vice Minister - Ministry of Environment and Energy (MINAE).

1. Reference is made to consultations between officials of the Government of *Costa Rica* (hereinafter referred to as “the Government”) and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.

2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.

3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:

- (a) Identification and/or recruitment of project and programme personnel;
- (b) Identification and facilitation of training activities;
- (c) Procurement of goods and services;

4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.

5. The relevant provisions of the Special Standard Agreement between the Government of Costa Rica and the United Nations Development Programme in Costa Rica signed in San Jose, (the “SSA”), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme or project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SSA and the project document.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this office three signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,

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Signed on behalf of UNDP  
*Yoriko Yasukawa*  
*Resident Representative*

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For the Government  
Ms. Maria Guzman.  
Vice Minister –  
Ministry of Environment and Energy (MINAE)  
[Date]

Attachment

**DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES**

1. Reference is made to consultations between the Ministry of Environment and Energy (MINAE), the institution designated by the Government of Costa Rica and representatives of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme or project 84431 **Integrated PCB Management in Costa Rica** (award 70216) “the Project”.

2. In accordance with the provisions of the letter of agreement signed on *Date of signature (LOA)* and the project document, the UNDP country office shall provide support services for the Project as described below.

3. Support services to be provided:

| <b>Support services*<br/>(insert description)</b>   | <b>Schedule for the<br/>provision of the<br/>support services</b> | <b>Cost to UNDP of<br/>providing such support<br/>services (where<br/>appropriate)</b> | <b>Amount and method of<br/>reimbursement of<br/>UNDP (where<br/>appropriate)</b> |
|---|---|--|---|
| 1. Payments, disbursements and other financial transactions                               | During project implementation                                     | Universal Price List   | Support Services  |
| 2. Recruitment of staff, project personnel, and consultants                               | During project implementation                                     | Universal Price List   | Support Services  |
| 3. Procurement of services and equipment, and disposal/sale of equipment                  | During project implementation                                     | Universal Price List   | Support Services  |
| 4. Organization of training activities, conferences, and workshops, including fellowships | During project implementation                                     | Universal Price List   | Support Services  |
| 5. Travel authorizations, visa requests, ticketing, and travel arrangements               | During project implementation                                     | Universal Price List   | Support Services  |
| 6. Shipment, custom clearance, vehicle registration, and accreditation                    | During project implementation                                     | Universal Price List   | Support Services  |

\* UNDP direct project support services will be defined yearly, and for those executed during the period, direct project costs will be charged at the end of each year based on the UNDP Universal Pricelist (UPL) or the actual corresponding service cost

4. Description of functions and responsibilities of the parties involved:

The project will be conducted through the National Implementation modality of UNDP (NIM). The Ministry of Environment and Energy (hereinafter MINAE), will act as the National Implementing Partner<sup>13</sup>, through the Direction of Environmental Quality Management of MINAE (hereinafter DIGECA), and with the support of UNDP as a GEF Implementing Agency. The DIGECA will be responsible for directing and

<sup>13</sup> National Execution partner under new harmonized definition.

managing the project and monitoring compliance with project work plans as a basis for project execution. Within the DIGECA a Project Management Unit (PMU) will be created, which will be responsible for the daily implementation of activities, including direct supervision in coordination with UNDP, for all activities that are carried out by the project. The PEU will include a Management Team composed of a National Project Director NPD and Project Assistant. In addition it will include consultants for specific components and activities.

To ensure an effective assimilation of the Project in permanent institutional structures, the PMU will convene a Steering Committee (Composed by representatives of the Ministry Environment and Energy, UNDP Costa Rica, and main stakeholders from the electrical generation/distribution sector. This committee will be part of the project supervision and is a continuance of the experience of the Preparatory Phase, which adopted this method with good results.

UNDP will provide technical and operational support necessary for the implementation of activities and the results of this project, with constant support from the PMU. The UNDP office will ensure that all consultant contracts, purchase orders and contracts for company services are in compliance with UNDP standards and procedures. In those cases in which the UNDP Resident Representative has to sign the contracts mentioned above, UNDP will participate in the processes for selection and recruitment. UNDP will also provide advances payments to the project to make direct payments and maintain accounting and financial control of the project.

The project authorities will carry out the procurement and contracts for all purchases less than USD\$ 2,500. These minor operations shall comply with rules and procedures contained in the National Implementation Manual. According to the above, ownership of equipment, supplies and other property financed with project funds will be conferred to UNDP. Transfer of ownership rights shall be determined in accordance with the policies and procedures of UNDP. All goods will be considered UNDP property for the following five years since purchased.

UNDP will assist in the administration of funds provided by GEF and UNDP itself. UNDP will be able to assist in the management of any other additional fund for co-financing this project. These arrangements will be included in the relevant Memorandum of Understanding. Contributions will be subject to internal and external audits established in UNDP rules and financial regulations.

## Annex to Letter of Agreement: The Legal Context

### General responsibilities of the Government, UNDP and the executing agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of Costa Rica, the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.
7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

#### (a) Participation of the Government



1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.

2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.

3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.

4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.

6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.

7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.

8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.

2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager a/ who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.

a/ May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.

5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.

6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.

9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

#### Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.

2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

- (a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
- (b) Be immune from national service obligations;
- (c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;
- (d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;
- (e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.

5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

- (a) The salaries or wages earned by such personnel in the execution of the project;
- (b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;
- (c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.

6. The Government shall ensure:

(a) prompt clearance of experts and other persons performing services in respect of this project;

and

(b) the prompt release from customs of:

(i) equipment, materials and supplies required in connection with this project; and

(ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

#### Suspension or termination of assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.

3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.

## Annex VIII – Government Endorsement letter



### Dirección de Cooperación Internacional

- Costa Rica -

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



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

Apdo. Postal 10104 -1000 San José, Costa Rica  
Central (506)22334533 ext. 154, 165, 169, 184  
Teléfono (506) 22580069 Fax (506) 22235086  
[WWW.COOPERACIONMINAET.GO.CR](http://WWW.COOPERACIONMINAET.GO.CR)

## Annex IX – UNDP Universal Price List

### Universal Price List (UPL) - 2011/2012/2013

Valid from October 1st 2011

| Service  | Cost (US \$)  |
|--|---------------|
| <b>Payment Process</b>                         | <b>39,392</b> |
| <b>Consultant recruitment</b>                  | <b>260,53</b> |
| <i>Advertising (20%)</i>                       | 52,11         |
| <i>Short-listing (40%)</i>                     | 104,21        |
| <i>Contract issuance (40%)</i>                 | 104,21        |
| <b>F10 settlement</b>                          | <b>32,45</b>  |
| <b>Procurement process involving local CAP</b> | <b>599,94</b> |
| <i>Identification &amp; selection (50%)</i>    | 299,97        |
| <i>Contracting/issue purchase order (25%)</i>  | 149,98        |
| <i>Follow-up (25%)</i>                         | 149,98        |
| <b>Procurement not involving local CAP</b>     | <b>232,74</b> |
| <i>Identification &amp; selection (50%)</i>    | 116,37        |
| <i>Issue purchase order (25%)</i>              | 58,18         |
| <i>Follow-up (25%)</i>                         | 58,18         |
| <b>Disposal of equipment</b>                   | <b>305,94</b> |



## **Annex – X – Co-finance letters**

Can be found separately.

## Annex XI UNDP Environmental and Social Screening

### UNDP Environmental and Social Screening Template

(December 2012)

#### QUESTION 1:

**Has a combined environmental and social assessment/review that covers the proposed project already been completed by implementing partners or donor(s)?**

Select answer below and follow instructions:

→NO: Continue to Question 2 (do not fill out Table 1.1)

→YES: No further environmental and social review is required if the existing documentation meets UNDP's quality assurance standards, and environmental and social management recommendations are integrated into the project. Therefore, you should undertake the following steps to complete the screening process:

1. Use Table 1.1 below to assess existing documentation. (It is recommended that this assessment be undertaken jointly by the Project Developer and other relevant Focal Points in the office or Bureau).
2. Ensure that the Project Document incorporates the recommendations made in the implementing partner's environmental and social review.
3. Summarize the relevant information contained in the implementing partner's environmental and social review in Annex A.2 of this Screening Template, selecting Category 1.
4. Submit Annex A to the PAC, along with other relevant documentation.

**Note: Further guidance on the use of national systems for environmental and social assessment can be found in the UNDP ESSP Annex B.**

| TABLE 1.1: CHECKLIST FOR APPRAISING QUALITY ASSURANCE OF EXISTING ENVIRONMENTAL AND SOCIAL ASSESSMENT  | Yes/No |
|--|--------|
| 1. Does the assessment/review meet its terms of reference, both procedurally and substantively?  |        |
| 2. Does the assessment/review provide a satisfactory assessment of the proposed project?   |        |
| 3. Does the assessment/review contain the information required for decision-making?  |        |
| 4. Does the assessment/review describe specific environmental and social management measures (e.g. mitigation, monitoring, advocacy, and capacity development measures)? |        |
| 5. Does the assessment/review identify capacity needs of the institutions responsible for implementing environmental and social management issues?                       |        |
| 6. Was the assessment/review developed through a consultative process with strong stakeholder engagement, including the view of men and women?                           |        |
| 7. Does the assessment/review assess the adequacy of the cost of and financing arrangements for environmental and social management issues?                              |        |

**Table 1.1 (continued) For any “no” answers, describe below how the issue has been or will be resolved (e.g. amendments made or supplemental review conducted).**

**QUESTION 2:**

**Do all outputs and activities described in the Project Document fall within the following categories?**

- Procurement (in which case UNDP's [Procurement Ethics](#) and [Environmental Procurement Guide](#) need to be complied with)
- Report preparation
- Training
- Event/workshop/meeting/conference (refer to [Green Meeting Guide](#))
- Communication and dissemination of results

Select answer below and follow instructions:

- NO** → Continue to Question 3
- YES** → No further environmental and social review required. Complete Annex A.2, selecting Category 1, and submit the completed template (Annex A) to the PAC.

**QUESTION 3:**

**Does the proposed project include activities and outputs that support *upstream* planning processes that potentially pose environmental and social impacts or are vulnerable to environmental and social change (refer to Table 3.1 for examples)? (Note that *upstream* planning processes can occur at global, regional, national, local and sectoral levels)**

Select the appropriate answer and follow instructions:

**NO** → Continue to Question 4.

**YES** → Conduct the following steps to complete the screening process:

1. Adjust the project design as needed to incorporate UNDP support to the country(ies), to ensure that environmental and social issues are appropriately considered during the upstream planning process. Refer to Section 7 of this Guidance for elaboration of environmental and social mainstreaming services, tools, guidance and approaches that may be used.
2. Summarize environmental and social mainstreaming support in Annex A.2, Section C of the Screening Template and select "Category 2".
3. If the proposed project ONLY includes upstream planning processes then screening is complete, and you should submit the completed Environmental and Social Screening Template (Annex A) to the PAC. If downstream implementation activities are also included in the project then continue to Question 4.

| <b>TABLE 3.1</b><br><b>EXAMPLES OF UPSTREAM PLANNING PROCESSES WITH POTENTIAL<br/>DOWNSTREAM ENVIRONMENTAL AND SOCIAL IMPACTS</b>   | Check appropriate<br>box(es) below |
|---|------------------------------------|
| 1. Support for the elaboration or revision of <b>global-level</b> strategies, policies, plans, and programmes.<br><br><i>For example, capacity development and support related to international negotiations and agreements. Other examples might include a global water governance project or a global MDG project.</i>  |                                    |
| 2. Support for the elaboration or revision of <b>regional-level</b> strategies, policies and plans, and programmes.<br><br><i>For example, capacity development and support related to transboundary programmes and planning (river basin management, migration, international waters, energy development and access, climate change adaptation etc.).</i>  |                                    |
| 3. Support for the elaboration or revision of <b>national-level</b> strategies, policies, plans and programmes.<br><br><i>For example, capacity development and support related to national development policies, plans, strategies and budgets, MDG-based plans and strategies (e.g. PRS/PRSPs, NAMAs), sector plans.</i>  | X                                  |
| 4. Support for the elaboration or revision of <b>sub-national/local-level</b> strategies, policies, plans and programmes.<br><br><i>For example, capacity development and support for district and local level development plans and regulatory frameworks, urban plans, land use development plans, sector plans, provincial development plans, provision of services, investment funds, technical guidelines and methods, stakeholder engagement.</i> |                                    |

#### QUESTION 4:

**Does the proposed project include the implementation of *downstream* activities that potentially pose environmental and social impacts or are vulnerable to environmental and social change?**

To answer this question, you should first complete Table 4.1 by selecting appropriate answers. If you answer “No” or “Not Applicable” to all questions in Table 4.1 then the answer to Question 4 is “NO.” If you answer “Yes” to any questions in Table 4.1 (even one “Yes” can indicated a significant issue that needs to be addressed through further review and management) then the answer to Question 4 is “YES”:

**NO** → No further environmental and social review and management required for downstream activities. Complete Annex A.2 by selecting “Category 1”, and submit the Environmental and Social Screening Template to the PAC.

**YES** → Conduct the following steps to complete the screening process:

1. Consult Section 8 of this Guidance, to determine the extent of further environmental and social review and management that might be required for the project.
2. Revise the Project Document to incorporate environmental and social management measures. Where further environmental and social review and management activity cannot be undertaken prior to the PAC, a plan for undertaking such review and management activity within an acceptable period of time, post-PAC approval (e.g. as the first phase of the project) should be outlined in Annex A.2.
3. Select “Category 3” in Annex A.2, and submit the completed Environmental and Social Screening Template (Annex A) and relevant documentation to the PAC.

| <b>TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT</b>   |  |
|--|--|
| <b>1. Biodiversity and <a href="#">Natural</a> Resources</b>   | <b>Answer<br/>(Yes/No/<br/>Not Applicable)</b> |
| <b>1.1</b> Would the proposed project result in the conversion or degradation of <a href="#">modified habitat</a> , <a href="#">natural habitat</a> or <a href="#">critical habitat</a> ?  | No   |
| <b>1.2</b> Are any development activities proposed within a legally protected area (e.g. natural reserve, national park) for the protection or conservation of biodiversity?   | No   |
| <b>1.3</b> Would the proposed project pose a risk of introducing invasive alien species?   | No   |
| <b>1.4</b> Does the project involve natural forest harvesting or plantation development without an independent forest certification system for sustainable forest management (e.g. <i>PEFC, the Forest Stewardship Council certification systems, or processes established or accepted by the relevant National Environmental Authority</i> )?   | No   |
| <b>1.5</b> Does the project involve the production and harvesting of fish populations or other aquatic species without an accepted system of independent certification to ensure sustainability (e.g. <i>the Marine Stewardship Council certification system, or certifications, standards, or processes established or accepted by the relevant National Environmental Authority</i> )? | No   |
| <b>1.6</b> Does the project involve significant extraction, diversion or containment of surface or ground water?<br><i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction.</i>  | No   |
| <b>1.7</b> Does the project pose a risk of degrading soils?  | No   |

| <b>TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT</b>   |  |
|--|--|
| <b>2. Pollution</b>  | <b>Answer</b><br>(Yes/No/<br>Not Applicable) |
| <b>2.1</b> Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts?  | Yes  |
| <b>2.2</b> Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner?  | No   |
| <b>2.3</b> Will the proposed project involve the manufacture, trade, release, and/or use of chemicals and hazardous materials subject to international action bans or phase-outs?<br><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Convention on Persistent Organic Pollutants, or the Montreal Protocol.</i>  | Yes  |
| <b>2.4</b> Is there a potential for the release, in the environment, of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?   | Yes  |
| <b>2.5</b> Will the proposed project involve the application of pesticides that have a known negative effect on the environment or human health?   | No   |
| <b>3. Climate Change</b>   |  |
| <b>3.1</b> Will the proposed project result in significant <sup>14</sup> greenhouse gas emissions?<br><i>Annex E provides additional guidance for answering this question.</i>   | No   |
| <b>3.2</b> Is the proposed project likely to directly or indirectly increase environmental and social vulnerability to climate change now or in the future (also known as maladaptive practices)? You can refer to the additional guidance in Annex C to help you answer this question.<br><i>For example, a project that would involve indirectly removing mangroves from coastal zones or encouraging land use plans that would suggest building houses on floodplains could increase the surrounding population's vulnerability to climate change, specifically flooding.</i> | No   |
| <b>4. Social Equity and Equality</b>   | <b>Answer</b><br>(Yes/No/<br>Not Applicable) |
| <b>4.1</b> Would the proposed project have environmental and social impacts that could affect indigenous people or other vulnerable groups?  | No   |
| <b>4.2</b> Is the project likely to significantly impact gender equality and women's empowerment <sup>15</sup> ?   | No   |
| <b>4.3</b> Is the proposed project likely to directly or indirectly increase social inequalities now or in the future?   | No   |
| <b>4.4</b> Will the proposed project have variable impacts on women and men, different ethnic groups, social classes?  | No   |

<sup>14</sup> Significant corresponds to CO<sub>2</sub> emissions greater than 100,000 tons per year (from both direct and indirect sources). Annex E provides additional guidance on calculating potential amounts of CO<sub>2</sub> emissions.

<sup>15</sup> Women are often more vulnerable than men to environmental degradation and resource scarcity. They typically have weaker and insecure rights to the resources they manage (especially land), and spend longer hours on collection of water, firewood, etc. (OECD, 2006). Women are also more often excluded from other social, economic, and political development processes.

| <b>TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT</b> |  |    |
|--|--|----|
| <b>4.5</b>   | Have there been challenges in engaging women and other certain key groups of stakeholders in the project design process?   | No |
| <b>4.6</b>   | Will the project have specific human rights implications for vulnerable groups?  | No |
| <b>5. Demographics</b>   |  |    |
| <b>5.1</b>   | Is the project likely to result in a substantial influx of people into the affected community(ies)?  | No |
| <b>5.2</b>   | Would the proposed project result in substantial voluntary or involuntary resettlement of populations?<br><i>For example, projects with environmental and social benefits (e.g. protected areas, climate change adaptation) that impact human settlements, and certain disadvantaged groups within these settlements in particular.</i>  | No |
| <b>5.3</b>   | Would the proposed project lead to significant population density increase which could affect the environmental and social sustainability of the project?<br><i>For example, a project aiming at financing tourism infrastructure in a specific area (e.g. coastal zone, mountain) could lead to significant population density increase which could have serious environmental and social impacts (e.g. destruction of the area's ecology, noise pollution, waste management problems, greater work burden on women).</i> | No |
| <b>1. Culture</b>  |  |    |
| <b>6.1</b>   | Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles?   | No |
| <b>6.2</b>   | Will the proposed project result in physical interventions (during construction or implementation) that would affect areas that have known physical or cultural significance to indigenous groups and other communities with settled recognized cultural claims?   | No |
| <b>6.3</b>   | Would the proposed project produce a physical "splintering" of a community?<br><i>For example, through the construction of a road, powerline, or dam that divides a community.</i>   | No |
| <b>2. Health and Safety</b>  |  |    |
| <b>7.1</b>   | Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?<br><i>For example, development projects located within a floodplain or landslide prone area.</i>   | No |
| <b>7.2</b>   | Will the project result in increased health risks as a result of a change in living and working conditions? In particular, will it have the potential to lead to an increase in HIV/AIDS infection?  | No |
| <b>7.3</b>   | Will the proposed project require additional health services including testing?  | No |
| <b>3. Socio-Economics</b>  |  |    |
| <b>8.1</b>   | Is the proposed project likely to have impacts that could affect women's and men's ability to use, develop and protect natural resources and other natural capital assets?<br><i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their development, livelihoods, and well-being?</i>  | No |
| <b>8.2</b>   | Is the proposed project likely to significantly affect land tenure arrangements and/or traditional cultural ownership patterns?  | no |
| <b>8.3</b>   | Is the proposed project likely to negatively affect the income levels or employment  | No |



| <b>TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT</b>  |  |
|---|--|
| opportunities of vulnerable groups?   |  |
| <b>9. Cumulative and/or Secondary Impacts</b>   | <b>Answer</b><br>(Yes/No/<br>Not Applicable) |
| <p><b>9.1</b> Is the proposed project location subject to currently approved land use plans (e.g. roads, settlements) which could affect the environmental and social sustainability of the project?</p> <p><i>For example, future plans for urban growth, industrial development, transportation infrastructure, etc.</i></p>  | No   |
| <p><b>9.2</b> Would the proposed project result in secondary or consequential development which could lead to environmental and social effects, or would it have potential to generate cumulative impacts with other known existing or planned activities in the area?</p> <p><i>For example, a new road through forested land will generate direct environmental and social impacts through the cutting of forest and earthworks associated with construction and potential relocation of inhabitants. These are direct impacts. In addition, however, the new road would likely also bring new commercial and domestic development (houses, shops, businesses). In turn, these will generate indirect impacts. (Sometimes these are termed “secondary” or “consequential” impacts). Or if there are similar developments planned in the same forested area then cumulative impacts need to be considered.</i></p> | No   |

**ANNEX A.2: ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY**  
**(to be filled in after Annex A.1 has been completed)**

**Name of Proposed Project:** Integrated PCB Management in Costa Rica.

**A. Environmental and Social Screening Outcome**

Select from the following:

- Category 1. No further action is needed
- Category 2. Further review and management is needed. There are possible environmental and social benefits, impacts, and/or risks associated with the project (or specific project component), but these are predominantly indirect or very long-term and so extremely difficult or impossible to directly identify and assess.
- Category 3. Further review and management is needed, and it is possible to identify these with a reasonable degree of certainty. If Category 3, select one or more of the following sub-categories:
- Category 3a: Impacts and risks are limited in scale and can be identified with a reasonable degree of certainty and can often be handled through application of standard best practice, but require some minimal or targeted further review and assessment to identify and evaluate whether there is a need for a full environmental and social assessment (in which case the project would move to Category 3b).
- Category 3b: Impacts and risks may well be significant, and so full environmental and social assessment is required. In these cases, a scoping exercise will need to be conducted to identify the level and approach of assessment that is most appropriate.

**B. Environmental and Social Issues** (for projects requiring further environmental and social review and management)

In this section, you should list the key potential environmental and social issues raised by this project. This might include both environmental and social opportunities that could be seized on to strengthen the project, as well as risks that need to be managed. You should use the answers you provided in Table 4.1 as the basis for this summary, as well as any further review and management that is conducted.

Pollution (Release of PCBs to the environment and generation of PCB containing waste): The project will implement activities that aim to reduce exposure of PCBs to People and the Environment in Costa Rica. However, the maintenance workers in the electricity sector is the group that has the highest risk of exposure, and they will be targeted specially under this project. The project will introduce technical guidelines and standards for the handling and management of PCB containing equipment and safety standards will be developed. All workers will receive training in the proper handling of PCB containing equipment.

PCBs are no longer being used in new equipment and imports have been banned for more than a decade. The current project therefore intends to solve a problem from the past, when pure PCB transformers were being used. The main problem today is the potential cross contamination of transformers as a result of poor maintenance practices. This issue will be dealt with during project implementation.

Interim Storage / transfer station will be established as a part of the project to better control the management of PCB containing equipment and minimize the risk of exposure to the people and the environment. A thorough Environmental Assessment will be conducted prior to the establishment of such an entity, and it will be constructed according to international best practices.

**C. Next Steps** (for projects requiring further environmental and social review and management):

In this section, you should summarize actions that will be taken to deal with the above-listed issues. If your project has Category 2 or 3 components, then appropriate next steps will likely involve further environmental and social review and management, and the outcomes of this work should also be summarized here. Relevant guidance should be obtained from Section 7 for Category 2, and Section 8 for Category 3.

For the risks identified in table 4.1 related to "Pollution", the project shall undertake the management of PCB containing equipment (solids and liquids) accordance with guidelines, international best practices and technologies as issued by International working groups and under the GEF. UNDP has extensive experience with the implementation of PCB projects in other parts of the world, and this will be taken into account during the project implementation.

**D. Sign Off**

**Project Manager**

**Date**

**PAC**

**Date**

**Programme Manager**

**Kasper Koefoed-Hansen**

**Date 30/7/2013**