REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND:GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Integrated PCB Management Costa Rica			
Country(ies):	Costa Rica	GEF Project ID:[1]	4485
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	4092
Other Executing Partner(s):	Ministry of Environment and Energy	Submission Date:	2013-07-31
GEF Focal Area (s):	Persistent Organic Pollutants	Project Duration(Months)	48
Name of Parent Program (if applicable): ➢ For SFM/REDD+ ☐ ➢ For SGP ☐ ➢ For PPP ☐		Project Agency Fee ($):	193,000

A. FOCAL AREA STRATEGY FRAMEWORK[2]

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount ($)	Cofinancing ($)
(select) CHEM-1	1.4 POPs waste prevented, managed and disposed of.	Indicator 1.4.1: Amount of PCBs and PCB related wastes disposed of, or decontaminated; measured in tons as recorded in the POPs tracking tool.	GEF TF	1,650,000	8,069,274
(select) CHEM-1	1.5 Country capacity built to effectively phase out and reduce releases of POPs.	Indicator 1.5.2: Progress in developing and implementing a legislative and regulatory framework for the environmentally sound management of POPs, and for the sound management of chemicals in general, as recorded through the POPs tracking tool.	GEF TF	120,000	480,000
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)		Project management Cost (PMC)	GEF TF	160,000	160,000
		Total project costs		1,930,000	8,709,274

B. PROJECT FRAMEWORK

[1] Project ID number will be assigned by GEFSEC.
[2] Refer to the Focal Area Results Framework and LDCF/SCCF Framework when completing Table A.

Project Objective: To minimize risks of exposure from PCBs to people and the environment in Costa Rica						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Grant Amount ($)**	**Confirmed Cofinancing ($)**
1. Strenthened Institutional Capacity in Costa Rica for the environmentally sound management of PCBs	TA	A. Strengthened legal framework adopted. B. Enhanced enforcement capacity. C. Improved institutional capacity to report on PCBs to Stockholm Convention Secretariat.	A1. PCB legislation reviewed and updated. A2. Norms and regulations for the envrionmentally sound management of PCBs developed and adopted. B1. Current enforcement structures assessed. B2. A team of 4 inspectors trained. C1. Improved national PCB inventory. C2. Tracking system for PCBs developed.	GEF TF	120,000	480,000
2. Environmentally sound management and interim storage of PCBs	TA	D Improved PCB management practices implemented E Adequate centralized PCB interim storage established and operationalized	D1 Technical standards for management of PCB equipment established. D2 Safety standards developed . D3 Trainers trained on Best Practices for PCB Management. E1 Design of PCB interim storage finalized . E2 Environmental Impact Assessment conducted. E3 Administrative and fee structure for the use of the PCB interim storage established E4 Interim storage constructed E5 Technical and safety standards for interim storage developed, disseminated and applied to storage facility operations	GEF TF	435,000	2,450,000
3. Environmentally sound destruction of PCBs and management of	Inv	F. Environmentally sound destruction of PCBs	1 PCB export scheme created F2 Coordination mechanism among	GEF TF	1,100,000	5,419,274

contaminated equipment			PCB holders and government established F3 Replacement equipment procured F4 Environmentally sound destruction of 1350 tons of PCB liquids and solids (> 50 ppm) F5 Feasibility study on equipment decontamination using a Public Private Partnership modality undertaken F6 Feasibility study to assess if PCB contaminated oils (<5,000 ppm) can be destroyed locally where ODS would be destroyed.			
4. Awareness raising and communication.	TA	G Improved awareness among stakeholders	G1 Awareness raising strategy developed and implemented G2 Communication strategy launched	GEF TF	50,000	200,000
Monitoring, Adaptive feedback, outreach and evaluation.	TA	Monitoring, Adaptive feedback, outreach and evaluation.		GEF TF	65,000	
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
			Subtotal		1,770,000	8,549,274
			Project management Cost (PMC)[3]	GEF TF	160,000	160,000
			Total project costs		1,930,000	8,709,274

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME ($)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount ($)
National Government	Ministry of Environment and Energy	In-kind	160,000
Private Sector	Electrical generators and distributors	Cash	7,765,744

[3] PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

Private Sector	Laboratories (academia)	In-kind	783,530
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			8,709,274

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in $)		
				Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				0	0	0

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

[2] Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount ($)	Cofinancing ($)	Project Total ($)
International Consultants	75,380	50,000	125,380
National/Local Consultants	469,733	1,500,000	1,969,733

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

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

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF[4]

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS,

[4] For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter "NA" after the respective question.

NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

In Annex III of the UNDP Project Document here is a description of the relationship between the project and the Na Development Plans, as well the relation to the National Implementation Plan on POPs in Costa Rica.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. N/A

A.3 The GEF Agency's comparative advantage: N/A

A.4. The baseline project and the problem that it seeks to address: The baseline project has not changed since the PIF stage. There is a more detailed description of the baseline project on page 18-21 in the UNDP ProDoc.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project: N/A

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: N/A

A.7. Coordination with other relevant GEF financed initiatives UNDP is currently implementing a large number of PCB projects globally. In Latin America there will be a close collaboration and coordination with the approved PCB projects in Argentina, Brazil, Colombia, Mexico, Uruguay, and Honduras (one component), and in the future with the approved PIF for Ecuador PIF on PCBs.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation. The stakeholders for this project are three large groups: electric sector companies, government

sector and chemical analytical laboratories. Each group will be engaged in the project implementation in the following manner:

Electrical sector companies:

The electrical sector companies have been working on the updating of the initial PCB inventory, developed as part of the NIP process, during the PPG process. The generation and distribution companies will participate in a Technical Coordinating Commission that will be created with other stakeholders and the project management. In this commission the most important project outputs will be discussed and evaluated, such as the PCB management regulation that needs to be developed, the installation and operation of the Interim Stoage / Transfer Station, the possible elimination and decontamination technologies will be reviewed and validated, among other relevant project issues. This includes investment costs.

The companies will also be responsible for the environmentally sound management of their PCB contaminated equipment and oils. They will be required to report to the Ministry of Environment and Energy their inventories and any eliminations or decontaminations that they complete. They will also be responsible for the fulfillment of the elimination outcomes established in the project document and in the Stockholm Convention.

Government institutions:

The Ministry of Environment and Energy (MINAE), is the national competent authority responsible for the coordinating of all actions regarding the implementation of the Stockholm Convention. As such the Direction of Environmental Quality Management (DIGECA) will be the project director and will be the lead role in the implementation process.

The MINAE will be responsible for the development of the legal regulations related to PCB management. To complete this task it will involve the Ministry of Health and other related institutions elaboration and validation of the regulations. It will be responsible for the implementation of the National PCB Management and Elimination Plan and a PCB Monitoring and Control Program.

It will be the MINAE's task to request that the companies that have PCBs supply the necessary information to have an updated National PCB Inventory and complete the proper reporting to the Secretariat of the Stockholm Convention.

The Ministry of Health as the national authority for hazardous waste management will be responsible for the issuing of the operating permit for the Transfer Station, as well as for the elimination and/or decontamination technologies that will be used in the country.

The Ministry of Health will also be responsible for the norms that regulates the safety of the workers that potentially gets exposed to PCB material. They play a key role in the protection of maintenance workers in this sector.

Chemical analytical laboratories:

The laboratories, private and those belonging to the public universities will participate in activities that the project management will program to improve their analytical procedures for PCB oils analysis. Among these activities is the inter-lab testing as part of the accreditation process for the testing applied. The laboratories also will be a part of the Technical Coordinating Commission.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF): Economic Benefits: As described in section B.2., the project will undertake a feasibility study to assess the technical and economical opportunities of undertaking the decontamination of equipment and recycling of materials using a Public-Private Partnership modality.

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

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

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

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

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

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

These gender dimensions will need to be reflected at both project and policy-level interventions pertaining to the sound management of chemicals in general and the sound management of PCBs in particular. The participation,

representation and buy-in of vulnerable worker populations and local communities in the project's formulation and the incorporation of gender dimensions into project activities will be explored as per the ―UNDP Technical Guide on mainstreaming SMC‖ and the UNDP guidance note on "The why and how of mainstreaming gender in chemicals management". This will be further detailed during the project implementation.

B.3. Explain how cost-effectiveness is reflected in the project design: 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.

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.

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 potentially be managed in the country by using the capacity built within the Interim storage / transfer station.This option will be assessed in the feasibility study, and will be implemented if cost effective compared to the export option. The recuperation of metals and sales will allow for the economical sustainability and cost efficiency of the transfer station.

C. DESCRIBE THE BUDGETED M &E PLAN:

Type of M&E activity	Responsible Parties	Budget US$ *Excluding project team staff time*	Time frame
Inception Workshop and Report.	▪ Project Manager. ▪ UNDP CO, UNDP GEF.	Indicative cost: 5,000	Within first two months of project start up.
Measurement of Means of Verification of project results.	▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	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	▪ Oversight by Project Manager. ▪ Project team.	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual

Type of M&E activity	Responsible Parties	Budget US$ *Excluding project team staff time*	Time frame
output and implementation			work plans.
ARR/PIR	▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG	None	Annually
Periodic status/ progress reports	▪ Project manager and team	None	Quarterly
Mid-term Evaluation	▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team)	Indicative cost: 20,000	At the mid-point of project implementation.
Final Evaluation	▪ Project manager and team. ▪ UNDP CO. ▪ UNDP RCU. ▪ External Consultants (i.e. evaluation team).	Indicative cost : 20,000	At least three months before the end of project implementation.
Project Terminal Report	▪ Project manager and team. ▪ UNDP CO. ▪ local consultant.	0	At least three months before the end of the project.
Audit	▪ UNDP CO. ▪ Project manager and team.	Indicative cost per year: 5,000	Yearly
Visits to field sites	▪ UNDP CO. ▪ UNDP RCU (as appropriate). ▪ Government representatives.	For GEF supported projects, paid from IA fees and operational budget.	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		**US$ 65,000** (+/- 5% of total budget)	

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

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

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

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date *(Month, day, year)*	Project Contact Person	Telephone	Email Address
Adriana Dinu Officer-in-Charge and Deputy Executive Coordinator		07/31/2013	Dr. Suely Carvalho GEF Principal Technical Advisor for POPs/Ozone UNDP/MPU/Chemicals	+1-212-906-6687	suely.carvalho@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).
Projects results framework in the UNDP Project Document.

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

Comments from the GEF SEC to be addressed at CEO endorsement:

1. Level of Private Sector involvement,

The private sector has been involved in the project preparation process and has been working on the updating of their inventory. At the present time, the Energy Sectorial Commission, that belongs to the Ministry of Environment and Energy, has formally decided to designate a representative from the municipal electrical companies, from the cooperative companies, the Costa Rican Electrical Institute (ICE) and the National Light and Power Company (CNFL) to participate in the technical coordinating committee for this upcoming project. This action guarantees that the private and public sector companies will be involved in the project implementation under the project Manager's coordination.

In Annex II of the UNDP Project Document there is an overview of the National Electricity System in Costa Rica and Annex V gives an overview of the project stakeholders. Most of the Electricity System in Costa Rica is owned by the public sector, but run as independent companies. Some of the companies / cooperatives are pure private sector.

2. Modality of the Transfer Centre

This has yet to be decided. The project document provides activities for the defining of this modality. There have been discussions with all stakeholders about the advantages of centralized interim storage / Transfer Center versus a more decentralized effort. Whereas all major stakeholders via co-financing letters have committed to the solution of the problem, there is a need for some further negotiations. We believe that within the framework presented in the project, it would be possible to do that in the initial phase of the project implementation.

3. Exact amount of PCB to be exported and amount of PCB contaminated equipment to be handled.

Most of the existing inventory is PCB contaminated material and oils with different level of contamination. Only a smaller part is pure PCBs. The intention of the project is to export for destruction all pure PCBs, and low concentration PCBs would be handled locally if a feasible solution is implemented. The exact quantities of pure PCBs have not been confirmed yet.

Comments to be addressed by the STAP:
There are both general and specific comments from the STAP that seem to be categorized in the following manner:

1. The Environmental Impact Assessment should be done in accordance with international guidance.

UNDP assures EIAs will be done in accordance with international guidance and best practice.

2. Assure that specific consideration of Basel guidelines along with other GEF and Stockholm Convention guidance will be taken into consideration when creating an environmentally sound management system for PCB disposal.

UNDP would assure that all international guidance (Basel, Stockholm, as well as GEF guidance) would be taken into full consideration during implementation.

3. Non-electricity utility PCB holders and their role

The PCBS holders that are not electrical utility companies are supervised by these electrical companies. The PCBs that these private companies may have will be included through the information that the electrical companies will help to provide. This PCB holder will be user of the Transfer Station / interim storage Annex II and V in the UNDP Project Document provides a more detailed description of the electrical sector and their stakeholders.

4. PCB monitoring and analysis in environmental media

The academic laboratories and research centers that work with environmental issues will be involved in the monitoring and analysis. The

5. Laboratory capacity for above and for PCB identification

The laboratory capacity will be enhanced with the first component of this project. This has also been committed through the academic laboratories and research centers that have presented co-financing letters.

6. Climate resilience considerations for transfer center

This is an issue that has not been addressed but will be part of the topics of development during the project implementation. This will be further investigated once a final agreement has been reached by the project stakeholders. The Electrical generators and distributors have several potential sites for this, and they will each be evaluated to ensure that the lowest risk option is chosen.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS[5]

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: **US$ 70,000**			
Project Preparation Activities Implemented	***GEF/LDCF/SCCF/NPIF Amount ($)***		
	Budgeted Amount	***Amount Spent Todate***	***Amount Committed***
Definition of needs and strategies for institutional strenghtening	7,500	7,500	
Definition of needs and strategies for improvements to regulatory and policy framework including enforcement in relation to PCBs	7,500	7,500	
Refine PCB inventory in Costa Rica and elaboration of general principles for sustainable PCB WM scheme.	15,000	15,000	
Development of M&E schemes	10,000	10,000	
Project Scoping and definition (coordination, publications and translations included)	30,000	30,000	
Total	70,000	70,000	0

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

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

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