



United Nations Development Programme

Country: Ecuador

PROJECT DOCUMENT¹

Project Title:

Integrated and Environmentally Sound PCB management in Ecuador. Full Sized Project

Outcome: Strengthened national, regional and local capacities for integral land management that guarantees sustainable development.

UNDAF Outcome(s):

This project is consistent with the United Nations Assistance Framework (UNDAF 2010-2014) in Ecuador and specifically in terms of the “Environmental Sustainability and Risk Management” strategic concentration area. The project is in accordance with Result 1 that seeks harmonization of environmental, social and economic policies. Also, with Result 2 that aims to reduce the capacity gaps of national and local authorities. Result 5 is very specific in mentioning people’s access to reliable energy services but with low-emissions and without other contaminants. And given the potential risks to water resources from PCBs, the project is also associated with Result 7 that relates to the conservation of water resources.

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Environment and Sustainable Development

UNDP Strategic Plan Secondary Outcome: Mainstreaming environment and energy issues, mobilizing environmental financing.

Expected CP Outcome(s): Strengthened national capacity for the implementation of programs and policies related to risk management and the mitigation of environmental degradation.

Expected CPAP Output (s) Strengthened national capacity for the implementation of an elimination strategy for pollutant substances and residues - waste management

Executing Entity/Implementing Partner: Ministry of the Environment

Implementing Entity/Responsible Partners: United Nations Development Programme - UNDP

¹ For UNDP supported GEF funded projects as this includes GEF-specific requirements

Brief Description

The Objective of the project is to promote the sound management of PCB contaminated oil, equipment, sites and wastes in Ecuador, according to the Basel and Stockholm Convention. The project is working on decrease the barriers for achieving sound PCB management through the following components: 1) Institutional capacity strengthening for sound and environmentally friendly management of PCBs, 2) Environmentally sound management of PCBs, and, 3) Environmentally sound storage and disposal of PCB waste. The project is expected to generate significant local and global benefits for the environment.

Programme Period:	__2013-2017__
Atlas Award ID:	__00075963
Project ID:	__00087582
PIMS #	__4827__
Start date:	__Nov 2013__
End Date	__Oct 2017__
Management Arrangements	__NIM__
PAC Meeting Date	__7 June 2013

Total resources	__11,393,949US\$
• GEF Grant:	__2,000,000 US\$
• Government In-kind:	
Ministry of Environment	__643,905US\$
Ministry of Electricity and Renewable Energy	__350,000US\$
National Electricity Council	__89,200US\$
• Private sector Electricity Companies	__8,310,844US\$

Agreed by (Government):

Date/Month/Year

Agreed by (Executing Entity/Implementing Partner):

Date/Month/Year

Agreed by (UNDP):

Date/Month/Year

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Acronyms

APR	Annual Project Review
CEQSL	Ecuadorian Confederation of Free Union Organizations
CO	Country office
CONELEC	National Electrical Council
EMS	Environmental Management System
GEF	Global Environment Facility
IA	Implementing Agency
MAE	Ministry of Environment of Ecuador
MEER	Ministry of Electricity and Renewable Energy
MT	Metric tons
MTE	Mid-term Evaluation
NIP	National Implementation Plan
PCB	Polychlorinated biphenyl
PIR	Project implementation report
ppm	parts per million
PPR	Project progress report
SAICM	Strategic Approach to International Chemicals Management
SENPLADES	National Planning and Development Secretary
UN	United Nations
UNDP	United Nations Development Program

I. SITUATION ANALYSIS

Context and global significance

1. Ecuador ratified the Stockholm Convention in June 2004 and presented its National Implementation Plan (NIP) in 2006. One of the main objectives of this NIP was the elimination of all PCBs in Ecuador by the year 2020. The NIP clearly indicated the need to establish temporary storage sites for PCB contaminated equipment and oils.
2. Since the presentation of the NIP in 2006, a new constitution was approved in 2008. The new constitution in its Chapter 2, Article 15, referring to a clean and healthy environment, indicates that persistent organic pollutants (POPs) are forbidden.
3. In Ecuador's National Plan for Good Living (equivalent to a National Development Plan) for 2009-2013 in one of its goals it establishes that the amount of PCBs in the country should be reduced in 40% by the year 2013. In that sense, the project addresses three objectives for designing intervention strategies in order to eliminate and reduce POPs. These objectives are the strengthening of the institutional and regulatory framework environmentally sound management of PCs, and the environmentally sound storage and disposal of PCBs waste. .
4. The objective of this project is to promote the sound management of PCB contaminated oils, equipment, sites and wastes in Ecuador, not only to meet the Stockholm Convention country commitments but to minimize the risk to the population and the environment as a result of PCB exposure. The project will be directed towards institutional capacity strengthening to implement a national environmentally sound PCB management system and the development of environmentally sound storage and viable disposal alternatives for Ecuador's PCB inventory. Additionally, it is important to mention that the project objective is in line with the GEF Chemical Focal Area Strategy, and it will have a 4 year duration.
5. The electricity sector is regulated by two authorities: the Ministry of Electricity and Renewable Energy (MEER) and the National Electrical Council (CONELEC); this latter, acts as regulating agency for generation, transmission and distribution of electric energy. The council issues regarding to environmental licenses require the implementation of Environmental Management Plans considering the PCBs management as one of their priorities. In Annex I there is a more detailed description of the electricity sector in Ecuador.
6. In 2003 a preliminary inventory was completed resulting in an estimated 1,400 metric tons of PCB contaminated oil. This estimation is limited only to public enterprises.
7. As of 2003 when the inventory was completed there has been a strong interest from the stakeholders to support the sound management and destruction of PCBs, financially and politically, although, the country still has important challenges to the implementation of the environmentally sound management of PCBs. Therefore, the country needs a structured approach to the elimination of PCBs not only as part of its commitment to the Stockholm Convention but also to its National Plan for Good Living. This structured approach requires strong technical and financial assistance that this GEF funded project is expected to facilitate.
8. In 2011 and 2012 Ecuador published its, "Manual of procedures for PCB management in the Ecuadorian electric sector". The electric companies in compliance with the planning established in the manual have presented to CONELEC an Action Plan for implementing a national PCB inventory.

9. This initiative will contribute to the GEF strategic goal to promote the environmentally sound management of chemicals for the protection of human health and the environment, which in turn, contributes to the overall objective of the Strategic Approach to International Chemicals Management (SAICM).

10. This project will be another of the UNDP-GEF funded initiatives, and project proposals yet under review, for the environmentally sound management and disposal of PCBs in the Latin American and Caribbean Region. The present experiences of Argentina, Brazil, Mexico and Uruguay, as well as, the Colombian proposal that is going to be implemented soon, will contribute to the success of this project through lessons learned, challenges and opportunities presented in countries.

11. The Ministry of the Environment of Ecuador (MAE) through its National Direction of Environmental Control has presented a project proposal to the National Planning and Development Secretariat (SENPLADES) to obtain fiscal funding for the environmentally sound elimination of PCBs in the Ecuadorian electrical sector. This project proposal is under review, but, it will be an important element of co-financing and building upon the results of the present project.

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

12. The threats, fundamental causes and barriers to the Integrated and environmentally sound management of PCBs in Ecuador are stated below. The project strategies to address these issues are described in Section II of this document.

a. Lack of an updated and accurate PCB inventory.

The preliminary inventory carried out in 2003 was only partial and limited to public enterprises. The results obtained presented an estimation of 1,400 metric tons of PCB contaminated oils. There is no information regarding the amount of PCB contaminated equipment or the concentrations of PCBs. A limited number of equipment was sampled (approximately 400). There is a need to establish on a national level, the location of contaminated equipment and oils, as well as, the PCB concentrations. Accurate information is necessary to implement an environmentally sound management plan to minimize risks and reduce current inventories.

b. Lack of monitoring, control and enforcement of the legislation.

The absence of a formal legislative structure or regulation for PCBs is an important barrier for the implementation of an environmentally sound management system for PCBs. The Constitution and the National Plan for Good Living address the need to reduce and eliminate the existence of persistent organic pollutants (POPs), but there is a need to have a separate particular regulation for the enforcement of the environmentally sound management of PCBs accompanied by technical guidelines and training for proper compliance.

c. Lack of a structured long term plan for capacity building and institutional strengthening.

There is a need to strengthen the institutional capacity and the regulatory framework to enforce the implementation of a national PCB management system among PCB owners. These needs should be accompanied by training sessions on sound PCB management among the governmental institutions involved in chemical management.

d. Lack of physical infrastructure and the environmentally sound management of PCBs practices.

The electrical sector companies, generators and distributors, 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 or a storage plan, so that, once identified, the PCB contaminated oils and equipment can be safely transferred and stored, awaiting for a proper final disposal.

e. Lack of a national elimination plan and technical alternatives for the disposal of PCB contaminated equipment and oils.

Ecuador has a commitment to comply with the Stockholm Convention requirements to reduce and eliminate PCB inventories by 2025 and 2028. In order to comply the, there is a need to establish a national elimination plan based on the existing inventories. The alternatives for elimination or final disposal will be determined by the analysis of technical and economically viable alternatives. The exporting of low concentrations of PCBs is costly and alternatives need to be developed nationally.

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

Component	Barrier
1. Institutional capacity strengthening for sound and environmentally friendly management of PCBs.	Lack of legal instruments related to PCB management Lack of institutional monitoring and control capacity. National PCB inventory has to be updated.
2. Environmentally sound management of PCBs.	Lack of technical guidelines for PCB sound management. Lack of alternative options for sound management and disposal of PCB contaminated equipment, oils and wastes.
3. Environmentally sound storage and disposal of PCBs waste.	Lack of technical guidelines for the environmentally sound storage of PCB contaminated equipment, oils and wastes. Lack of a national elimination plan. Lack of technical and economically viable alternatives for PCB elimination. Lack of financial resources

After having overcome the barriers, Ecuador expects to eliminate 750 MT of PCB contaminated equipment, oils and wastes, and at the same time, to improve the Environmentally Sound Management of PCBs in Ecuador.

Stakeholder analysis

13. The development of an Integrated and Environmentally sound PCB Management System in Ecuador requires the participation of several different stakeholders from public and private sectors. The stakeholders range goes through public institutions, electrical sector companies and civil society organizations. During the PPG process, these stakeholders were integrated in information and

consultation meetings and will be requested, along with others, to participate in the project's implementation.

a. Ministry of the Environment of Ecuador (MAE):

This institution is responsible for the monitoring and controlling of hazardous chemical management through the "Regulation for the Prevention and Control of Contamination from Hazardous Chemical Substances".

The MAE is the technical executing agency, and the Chemical Products and Hazardous Wastes Unit, works into the Environmental Control Direction which is part of the Environmental Quality Under-Secretariat. This unit is in charge of developing policies, bylaws, guidelines, technical criteria, lists of banned or severely restricted hazardous chemicals and the National Chemical Security Program to optimize management of hazardous chemicals in Ecuador. Its goal is to comply with the National Chemical Security Program and be the entity in charge of executing international agreements. In this case MAE is responsible for project coordination and execution.

b. Ministry of Electricity and Renewable Energy (MEER):

The MEER is responsible for the formulation of the national policy for the electricity sector and for the management and execution of projects. One of its functions is to promote an adequate and successful administration of the sector. The role of this Ministry in this project will be to provide support and coordination along with the National Electrification Council (CONELEC).

c. National Electrification Council (CONELEC):

This organism operates at national level and is responsible for regulating different aspects of electricity generation, transmission and distribution. It is responsible for enforcing the Electricity Activities Environmental Bylaw. The afore mentioned bylaw specifies the environmental management system to reduce and prevent environmental pollution. This Council will play an important role, supporting the project coordination and execution.

d. Electric Distribution Companies (public and private):

The electrical distribution companies that may participate in the project are: Emelec, Empresa Electrica Regional Centro Sur, S. A., Empresa Electrica Quito, Empresa Municipal de Agua Potable de Quito who are all part of the National Electricity Corporation (CNEL). The electrical generation companies that may participate are: Electroecuador, Electroquil, Ectoroquayas, Transelectric, Hidroagoyan, Hidropaute, all, companies that are coordinated by the Ecuadorian Electrical Corporation (CELEC EP). All of the electrical sector companies must comply with the established Manual for procedures for PCB management in the Electrical Sector and their environmentally sound disposal.

e. Industrial Sector Organizations:

These organizations promote training, technological development, trade and corporate social responsibility. The Trade and Commerce Association is one of the most important organizations, representing several private sector groups. Key sectors of the chemical industry have associations that represent them also. These organizations will play an important role in the project as there are useful catalysts for the promotion of the compliance with the existing and new PCB management and disposal guidelines.

f. Non Governmental organizations (NGO):

There are non-governmental organizations that have experience in different dimensions of chemicals sound management. Their roles vary from developing public policies to environmental protection, sustainable production, community development, prevention of pollution and environmental education.

g. Workers Associations:

Some of these associations are: the Confederación Ecuatoriana de Organizaciones Sindicales Libres (CEQSL), and the Confederación Sindical de Trabajadoras y Trabajadores del Ecuador. These are confederations of unions.

h. Professional Associations:

In particular the associations that are involved with the management of chemical substances, such as the Colegio Regional de Ingenieros Químicos del Litoral.

i. Research Centers:

There are certified research centers, most of the time related to a University that may provide services in different areas of expertise

In Annex II you will find some further considerations regarding the role the stakeholders will play in the project implementation.

Baseline analysis

14. The CONELEC as part of its responsibility, as environmental regulation agency for companies engaged in the generation, transmission and distribution of electric energy has created a sub-committee for PCB management. This sub-committee is formed by a representative of the Ministry of the Environment (MAE) and representatives of the electrical sector companies. The sub-committee meets on a regular basis and all decisions regarding PCBs are taken in this group.

15. The sub-committee for PCB management has published a manual with technical information about the environmentally sound management of PCB contaminated oil, equipment and wastes. The manual is focused on proper inventory practices and guidelines. As a result of the publication of this manual the electrical sector companies have been instructed by CONELEC to prepare an action plan for the completion of their individual inventories as a pre-requisite for the approval of the companies' environmental licenses for operation.

16. Ecuador and its electrical sector have limited experience in PCB environmentally sound management and do not have the adequate infrastructure, equipment and technology to do so in a proper manner. There is a need to improve the analytical capacity for PCB testing in existing academic laboratories that have the technical equipment but require training and testing materials.

17. Currently, the management of out of service equipment is not environmentally sound and there is a lack of knowledge and information about technical standards and procedures for the identifying, labeling, management and disposal of PCB contaminated equipment, when identified. As the electrical sector companies begin to implement their PCB inventory action plans this technical knowledge becomes even more necessary for proper management.

18. Due to legal requirements set forth by the regulating authorities for the issuing of environmental licenses to PCB holders, temporary storage sites for PCB contaminated equipment, oils and wastes have

been prepared without proper technical guidelines, as an alternative, but considering the fact that the country is still implementing the phasing out of these inventories.

19. Currently, Ecuador does not have neither the facilities for the environmentally sound disposal of PCB contaminated equipment, oil and waste, nor does it has operators with the technical expertise to develop the possible disposal or elimination alternatives.

20. Under a Basel Convention initiative for South America called, "New associations with the local authorities for sound management of hazardous waste and other residues", some incineration trials using cement kilns for combusting oils that have PCB concentrations under 50 ppm, were done. At the present time, there is not any fully certified disposal facility. Restricted licenses for co-processing of hazardous waste trials were issued, but there is still a need to address issues such as incineration capacity and standards.

21. There are a number of challenges that need to be addressed in regard to the information resulting from the inventory . Some of these challenges are the following:

a. The methodology used in the previous inventory does not reveal any information regarding the concentrations of PCBs, nor the identification of quantities of equipment, oil and waste identified. A limited amount of units, a total of 400, were sampled during the inventory, making it difficult to establish priorities and propose alternatives for the environmentally sound management of PCBs at national level.

b. The existing information from the preliminary inventory is not suited for the implementation of a decision making process in terms of risk reduction strategies according to the PCB concentrations in the identified oils. It is not until recently that some electrical companies have begun to properly identify and verify oils, equipment and waste contaminated with PCBs as part of a structured inventory process.

c. There is no national PCB management policy in place to regulate, orientate and guide the existing PCB holders on the environmentally sound management of PCBs and identify technical alternatives for economically viable treatments and disposal of the existing inventories.

22. The preliminary PCB inventory was completed in 2003 and since then a limited number of activities has been developed in Ecuador towards the sound management of PCBs in both the private and public sector. A strong interest has been demonstrated both politically and financially in the development of the environmentally sound management and destruction of PCBs, but the country needs a national structured approach in place that will facilitate the meeting of the commitments set forth in the Basel and Stockholm Conventions, as well as the National Well Living Plan. Ecuador needs technical and financial assistance to create this national capacity and this GEF funded project is expected to generate exactly this structural change.

II. STRATEGY

Project rationale and policy conformity

23. Ecuador presented its NIP to the Conference of the Parties in 2006, and in this plan it clearly identifies as one of its priorities the environmentally sound management of PCBs, their treatment and disposal. In this plan the country establishes as of its specific objectives the total elimination of PCB in Ecuador by the year 2020. For this project the expected outcome is the elimination of approximately 750 metric tons of the existing inventory.

24. This project will focus, among other components, on the establishment of the necessary norms and regulations to strengthen the institutional capacity for monitoring and controlling the compliance with environmentally sound management of PCBs among PCB holders. The project will address needs and challenges with respect to the environmentally sound management of PCBs and the development of technical and economically viable alternatives to the treatment and disposal of Ecuador's PCB inventory.

25. A comprehensive inventory will be done to determine the types and quantities of contaminated equipment, oils and waste with the corresponding concentrations of PCBs.

26. An Environmental Management System (EMS) will be established, and it will include actions and responsibilities for the different stakeholders with respect to the PCB contaminated oil, equipment and waste, their identification, storage, management, transport and disposal.

27. The national inventory will be complemented with the establishment of an information system that will facilitate the continuous updating of the PCB findings.

28. The project calls for the development of an Integrated Management Manual that will be used for training and for the increase of knowledge and information sharing with private and public entities.

29. The environmentally sound management of PCBs component of the project will establish technical guidelines that will improve existing practices and determine economically and technically viable disposal options.

30. The project will create the national capacities necessary to deal with PCBs in a structured manner throughout the entire life cycle. This will make it viable for Ecuador and its PCB owners to do long term planning with respect to the management and disposal of their PCB contaminated oil, equipment and wastes.

31. The project will develop a National Management Plan with specific guidelines and a time line for meeting the national goal, established in the NIP, of eliminating PCBs by 2020.

32. Feasibility studies for disposal alternatives nationally and/or internationally, where viable, will be developed with the objective to reduce the unit cost of disposing the existing PCB inventory. This will contribute to the sustainability and long term planning for continued PCB disposal, once the project has ended.

33. The issue of cross contamination and proper management practices, when doing equipment maintenance, will be address in the environmentally sound management system established and will contribute over time to the elimination of future contaminations.

Project objective, outcomes and outputs/activities

34. The objective of this project is to promote the sound management of PCB contaminated oil, equipment, sites and waste in Ecuador.

35. The Ministry of the Environment of Ecuador (MAE) is the Implementing Partner and the entity responsible and accountable for managing the project, through its National Direction for Environmental Control. The CONELEC, as the electrical sector regulating body, will play an important role in the project implementation.

Project components, outcomes and outputs

36. The project is divided into three components with its associated outcomes and outputs. Further details of the project activities are described below and summarized together with major risks, assumptions and indicators of impact in the Project Results Framework.

Component 1. Institutional capacity strengthening for sound and environmentally friendly management of PCBs. (Overall budget US\$ 913,105 GEF US\$ 230,000, co-financing US\$ 683,105)

Outcome

A. Improved legislation about hazardous chemicals, including PCBs-POPs.

Outputs

A1. PCB legislation reviewed and updated.

A2. Norms and standards for environmentally sound management of PCBs are developed and adopted.

The activities to be carried out under this outcome and its outputs are the revision of regulations associated to management of POPs in general, and the formulation of a regulation for PCBs in particular.

The development of an integrated management manual for PCBs.

Outcome

B. Improved institutional capacity to adequately manage PCBs, including the skills to present project reports to the Stockholm Convention Secretariat.

Outputs

- B1. National PCB inventory updated and improved. Labeling of stocks.
- B2. PCB stocks-tracking information system.
- B3. National PCB management plan up to 2020 elaborated.

The fulfillment of this outcome will required the completion of a comprehensive inventory of PCBs among the electrical generation and distribution companies as well as the private entities that utilize electrical equipment for their own energy generation. .

For the monitoring and controlling of the PCB inventory stocks, a tracking system will be developed and implemented.

Outcome

C. Awareness raised amongst the general public and private sector about the importance of sound management of PCBs.

Outputs

- C1. Sound management of PCBs training manual elaborated and published.
- C2. Training of companies in the implementation of PCB management plans.
- C3. Communications campaigns and knowledge dissemination.

An integrated management manual will be elaborated, published and distributed among the potential users for further training for its implementation in the electrical sector companies.

PCB management plans will be elaborated as a result of the implementation of the management manual.

The public that is involved in electrical sector activities will be made aware through communications campaigns of the risks and environmentally sound PCB management requirements.

Component 2. Environmentally sound management of PCBs. (Overall budget US\$ 1,098,493, GEF US\$ 450,000, co-financing US\$ 648,493)

Outcome

D. Management practices related to PCBs are improved.

Outputs

- D1. Technical guidelines for PCB sound management are established.
- D2. Safety regulations are revised, improved and implemented.
- D3. Feasibility studies of different, in-country and out-of country, sound management and disposal options for oil, equipment and wasted contaminated with PCBs.
- D4. Prioritization of the different options available for disposal and/or management of oil, equipment and wastes contaminated with PCBs
- D5. Pilot and replicable projects for the proper disposal of PCB-stocks executed and evaluated.

The CONELEC has an electrical sector sub-committee that has representatives from all of the electrical companies along with the Ministry of the Environment that will be closely involved in the review and approval of the environmentally sound management of PCBs technical guidelines that will be established.

The different technical alternatives and economically viable options for the disposal of PCB contaminated oil, equipment and waste will be evaluated to define the action plan for the fulfillment of the PCB elimination plan to be developed.

Component 3. Environmentally sound storage and disposal of PCBs waste. (Overall budget US\$ \$8,732,351, GEF US\$ 1,070,000, co-financing US\$ \$7,662,351).

Outcome

E. Proper storage of PCB-contaminated oil, equipment and other wastes.

Outputs

- E1. Contaminated equipments, oil and wastes are classified and properly stored.
- E2. Environmental management plans for temporary storage facilities.

Technical guidelines for the storage of PCBs will be developed and training for their implementation will be given to all of the electrical sector companies.

The temporary storage facilities will have their own environmental management plans as part of their PCB management system.

Outcome

F. Proper disposal of 50% of the currently identified stocks (750 MT).

Outputs

- F1. Coordination mechanisms between the government and private holders of PCBs developed.
- F2. Disposal plan developed and disseminated.
- F3. Removal of PCB stocks from Galápagos.
- F4. Verification of capacity, safety and environmental performance of in-country disposal options.
- F5. Disposal (in-country or abroad) of 750 MT of PCB contaminated oils, equipment and wastes.

Technical guidelines for the elimination process will be developed along with the definition and implementation of a National Elimination Plan to meet the 2020 deadline indicated in the existing legislation.

PCB contaminated oil, equipment and waste found in Galápagos Island will be removed and prepared for the elimination alternative selected.

Different technological elimination or disposal alternatives that are economically feasible will be evaluated and implemented.

Component 4. Monitoring, Learning, Adaptive Feedback and Evaluation (Overall budget US\$ 70,000, GEF US\$ 70,000).

Key indicators, risks and assumptions

Risk	LEVEL OF IMPACT RISK	Risk Mitigation Measures
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Resistance among PCB holders against approval of new norms and regulations for PCB management.	Low	Active an awareness raising campaign that will demonstrate the long-term economical and environmental benefits when PCBs and PCB contaminated equipment are managed in a sound manner.
Public resistance because of a lack of information by the population and by some stakeholders on PCB-associated risks	Medium	Training Workshops with different stakeholders and actions for providing a clear, accurate message on the risks inherent in PCBs and hazardous waste, and preventive measures for protecting health and the environment.
Regulating environmental authority does not make provisions for the personnel to do inspections, monitoring and control of PCB management done by the electrical companies and therefore guarantee compliance of the new regulations.	Low	The project seeks to address the need to create national capacity for these purposes through ongoing training on related topics.
Due to economic restraints the PCB holders may not have the necessary budget provisions on time for the completion of the inventory and later elimination of contaminated equipment, oil and wastes.	Low	Awareness raising among high level management of the electrical sector companies on the legal obligations that Ecuador has assumed under the Stockholm Convention as well as the responsibilities set forth in the existing legislation and development policies. Disseminating results about the economic benefits of environmentally sound management of PCBs.
Overall Risk Rating	Low	

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

Please refer to corresponding GEF CEO Endorsement request document.

Incremental reasoning and expected global, national and local benefits.

37. The GEF resources will generate the enabling conditions for the implementation of a PCB Environmental Management System (EMS) with the definition of alternative disposal mechanisms that will make it viable for Ecuador to meet its national elimination goals and Stockholm Convention commitment.

38. The experience developed in the project implementation and the lessons learned during this process might be applicable in other countries that are working on compliance with the Stockholm Convention.

39. The most important outcome that this project provides is the increased national capacity to environmentally manage PCBs in an efficient and sound manner. This outcome will be achieved through the development and implementation of an environmental management system (EMS) for PCBs in Ecuador. Under the EMS actions and responsibilities for the government and the private sector will be set forth. Some of these actions are:

- a. improved regulations that will allow to Ecuador to fulfill its commitments under the Stockholm Convention.

- b. technical guidelines and protocols for the management of PCB contaminated oil, equipment and waste throughout their life cycle.
- c. fund mobilization to owners of PCB contaminated oil, equipment, waste and potentially contaminated sites.
- d. mechanisms for the execution of elimination alternatives.
- e. the elimination of 750 metric tons of PCB liquids and solids.

40. There is no proactive management of PCBs by the electrical sector companies and without the GEF support the necessary activities towards the implementation of an EMS will not take place or will be very slow without a significant impact. There is no real technical and economically viable alternative for disposal of PCB contaminated equipment, oil and wastes, at the present time. It is necessary to implement an integrated PCB management and disposal approach for obtaining a reliable national inventory, the implementation of a national information system, and a national management plan to reach the 2020 goals, along with the creation of national capacities at the level of authorities and stakeholders to manage PCBs in an environmentally sound manner.

41. The existing national inventory is only partial, but possibly under estimated. Transformers that are presently being replaced are stored in places that are not adequate and have yet to been tested for PCBs. There is a lack of infrastructure to temporarily store this equipment.

42. The existing legal framework and its guidelines and standards need to be improved and further developed to guide electrical sector companies in the environmentally sound management of PCBs.

43. At the present time, Ecuador does not have any alternative to manage and dispose PCBs, and without the GEF funding this situation will not change significantly in the near future. It will be difficult for Ecuador to meet the challenges that the Stockholm Convention compliance will require, if the business-as usual scenario is maintained. The result of this scenario is that the individuals involved in PCB handling, communities living close to PCB contaminated areas, as well as, the global environment will continue being at risk from exposure.

44. The incremental activities that this project proposes will address the identified barriers and establish an integrated systematic approach to the environmentally sound management and disposal of PCBs. Not only compliance with the Stockholm Convention will be ensured, but also the reduction of the environmental and health risks that these POPs pose, will be obtained.

45. The Government of Ecuador expects to achieve economies of scale through the systematic approach proposed in this project for the development of a national elimination plan. Alternative disposal options will be identified as part of an in country approach to the elimination of low concentrations of PCBs, leaving the higher concentrations for exporting to international disposal centers.

Below is a table that describes the baseline, GEF alternative as well as main project activities.

BASELINE ANALYSIS	GEF ALTERNATIVE	PROJECT ACTIVITY
Improve and expand the efforts made to seek the environmentally sound management of PCBs.	GEF funds will be used to promote the enabling conditions needed for the implementation of an environmental management system with regulatory,	The importing of PCB contaminated equipment will be prohibited. The improvement of legal norms and standards to enforce environmentally sound

	institutional and operational improvement that will result in Ecuador meeting its PCB final disposal goal.	management of PCBs. General guidance for PCB owners and other project stakeholders will be developed and training implemented.
The Government of Ecuador has made important efforts to develop guidelines that include best practices for PCB management.	The GEF contribution will provide the initial conditions for a systematic and continuous approach to the elimination of PCB contaminated equipment, oil and waste in an environmentally sound manner by integrating all stakeholders with the harmonization and dissemination of information and technical guidelines.	The national inventory will be updated and analytical identifying procedures will be implemented to obtain more accurate results. The private sector will be engaged through the norms that will allow the public electrical companies to obtain inventory information.
Currently in Ecuador there are no options for the disposal of PCB contaminated equipment, oil and waste; there are only some trials for concentrations under 50 ppm.	Mechanisms directed to institutions for the integration of disposal plans, through the coordination and working with PCB owners in its development, under the framework of a national initiative. Funds will be used to co-finance: the creation and improvement of, temporary storage facilities, and the initiation of a PCB disposal the 750 metric tons, committed in this project.	The establishment of storage sites for PCB contaminated equipment, oil and waste. The taking out of service and management of PCB containing equipment. The procurement of PCB free equipment through the replacement on the electric grid. Evaluation of disposal options for the current country technologies and/or exporting to international centers. The co-financing for the implementation of safe disposal of PCB options.

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

Project Component	Baseline Project		GEF Contribution	
		Co-finance		GEF contribution
1. Institutional Capacity Strengthening for sound and environmentally friendly management of PCBs	-PCBs Management Legal Framework Improved -Institutional Capacity Improved - PCB Inventory update -Awareness raising activities -Coordination of public and private sector stakeholders. -Plan for PCB management in Ecuador	683,105	-Support the harmonization and dissemination of information, political framework, legal and enforcement capacities according to SC rules and in accordance with international standards and best practices. -PCB inventory updated according to SC recommendations	230,000

	upto 2020.			
2. Environmentally Sound Management of PCBs.	<ul style="list-style-type: none"> -Managerial System (practices) put in place -Stakeholders Consultation Meetings (Committee) -Implementation of safety and management guidelines. -Connect all involved actors and settle ground for replicable projects 	648,493	<ul style="list-style-type: none"> -Develop safety regulations and technical guidelines and adopt to local conditions -Provide initial conditions for systematic and continuous approach for the elimination of PCBs -Establish adequate conditions and update current information on in and out-country options for PCBs disposal -Cost-effectiveness analysis of disposal options 	450,000
3. Environmentally sound storage and disposal of PCBs waste	<ul style="list-style-type: none"> -Environmentally Sound Storage of PCBs -Environmentally Sound Disposal of estimated 750 MT of PCBs and replacement of PCB containing transformers 	7,662,351	<ul style="list-style-type: none"> Assure safe storage in compliance with SC Rules and Guidelines. Establish pilot projects to verify and certify destruction standards aligned with international standards. Accelerate PCB disposal to achieve project disposal volume goals. 	1,070,000

Country ownership, country eligibility and country drivenness

46. Ecuador ratified the Stockholm Convention on June 2004.

47. The National Implementation Plan (NIP) was completed in a participatory manner, integrating several institutions. The NIP was presented to the Conference of the Parties in 2006. In this plan the issue of PCB management and disposal was identified as one of the priorities along with a specific objective to eliminate all PCBs in Ecuador by the year 2020.

48. Ecuador approved a new Constitution in the year 2008 with special reference made to POPs in its Article 15, Chapter 2 in regard to a clean and healthy environment. In this legal instrument the development, production, storage, trade, import, transportation and use of Persistent Organic Pollutants (POPs), among other chemical substances, are forbidden.

49. The National Plan for Good Living 2009-2013, which is the country's Development Plan, calls for the reduction of PCBs in 40% by the year 2013 and the improving of sound management of PCBs.

Financial modality

50. The project will be implementing the National Implementation Modality (NIM) and it will follow standard UNDP rules and regulations.

Cost effectiveness

51. The proposed project is cost effective in the achieving of its objective and will work with already existing efforts made in the PCB issue, through the CONELEC involvement. A manual for PCB management has been published by the CONELEC's sub-committee, in particular, as a guideline for the electrical sector companies to complete their inventory.

52. The Government has developed a project proposal for presentation to the National Planning and Development Secretariat (SENPLADES), for the environmentally sound management of PCBs in Ecuador. The project proposal is still under review and it is expected that it will be approved due to the constitutional requirement and the national development plan goal to eliminate PCBs. Based on incremental reasoning, GEF funding will be applied as seed capital to this national effort for the development of a national EMS and national technically and economically viable alternatives for PCB disposal.

53. The project aims to eliminate 750 metric tons of the existing inventories, which in terms of cost efficiency with the GEF grant will be USD\$ 2.67/kg of PCB destroyed. In the evaluation of the alternative disposal, the Government of Ecuador expects to achieve economies of scale through the systematic approach of a National Elimination Plan. The alternative disposal options will be evaluated based on the need to identify an in-country approach to the elimination of low concentrations of PCBs, leaving the higher concentrations for exporting to international disposal centers.

Sustainability

54. The MAE, as the environmental authority, in coordination with CONELEC, as the electrical sector regulating organism, has worked closely in establishing a technical sub-committee for PCB management issues and obligations. The obligatory completion of the PBC inventory among the electrical companies is one result of this work. Once the project has ended and until the PCB elimination objectives have been met, this sub-committee will continue working towards the fulfillment of the Ecuador's goal to eliminate PCBs by 2020, under the direction of MAE and CONELEC.

55. The sustainability of the EMS and the National Elimination Plan created by the project will be ensured through the integration of all project components in existing structures that will be strengthened to continue with the monitoring and controlling of PCB management.

56. Once the national capacity for an EMS has been implemented with: the companies reporting their inventories, accredited laboratories with analytical capacity to test PCBs, and economically and technically viable disposal alternatives available; the PCB owners will continue, under the supervision of CONELEC, independently with the necessary actions to comply with their responsibilities.

57. The project aim of strengthening the institutional capacity in Ecuador, should in the longer term strengthen the institutional sustainability of not only this project, but of other chemicals related projects under the existing hazardous waste management regulation.

Replicability

58. The project will be replicable with other Latin American countries because it will provide technical alternatives to PCB disposal in-country for low PCB concentrations and export options for high concentrations, which is an issue for most of the countries in this region.

59. The PCB environmental management system and its technical guidelines that will be developed and implemented, along with the upgrading of the technical analytical capacity, and the inter sector coordination that has been obtained, are lessons learned that will be of great value for countries with economies in transition and developing countries that are still in the project planning phase.

60. The project, because of its location in the region, will be in close contact with similar PCB projects, presenting or under implementation, and also with those that will start shortly in the region such as Mexico, Brazil, Argentina, Costa Rica and Colombia. The lessons learned from all of these countries will be shared to obtain mutual benefits from all of the UNDP-GEF efforts in the Latin American region.

III. PROJECT RESULTS FRAMEWORK:

This project will contribute to achieve the following Country Programme Outcomes as defined in CPAP or CPD:					
Country Programme Outcome Indicators:					
Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): 2. Catalyzing environmental finance					
Applicable GEF Strategic Objective and Program: 1. Phase out of POPs and reduce POP releases.					
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.					
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.					
	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective² To promote the sound management of PCB contaminated oil, equipment, sites and wastes in Ecuador.	Quantity of PCB (liquids and solids) destroyed in the project period (2013-2017).	Estimated inventory of 1,400 MT of PCBs.	750 MT of PCBs (equipment, oils and wastes) disposed of in an environmentally sound manner.	Certificate of destruction.	The assumption is that there will be a national disposal capacity for the destruction and that the option selected would be accepted by the civil society as a result of the project.
	Quantity of PCBs stored in an environmentally sound manner.	National inventory outdated and only estimate.	All PCB inventories stored in an environmentally sound manner.	National database system with updated inventory.	Risk: Low
	Number of environmental, health and customs authorities' personnel trained to monitor compliance of	Environmental, health, customs and electric sector authorities' personnel do not have the	30 officials of the environmental, health, customs and electric sector authorities trained to control the commerce, storage, transport, treatment and final disposal of PCBs.	List of attendance of workshops and training sessions.	The MAE and CONELEC have a technical sub-committee for PCB management and it is expected that they along with the other regulating institutions will have a high interest in receiving the proper

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

	Stockholm Convention requirements and norms.	knowledge and training to execute control and monitoring of the PCB inventory in the county.	1 Norm developed and validated 4 guidelines/manuals developed by the end of the project.	1 Norm validated. Manuals and guidelines on PCB management published.	training. Risk: Low The personnel from the regulating institutions do not attend the programmed workshops and training sessions. Risk: Low
	Number of safe PCB management and disposal options. Number of companies of the electrical sector trained and implementing the new regulatory guidelines. Number of inspectors/enforcement officers trained to monitor compliance of national laws/norms on PCB management.	Ecuador does not have any treatment/disposal facility for PCBs. Existing guidelines for PCB management are limited and do not cover the entire life cycle. The environmental regulating authorities have limited knowledge about PCB management.	At least one treatment/disposal alternative in operation at the end of the project, if proven cost effective compared to export option. 75% of the existing electrical sector companies trained and implementing the new regulatory guidelines. 40 maintenance and other personnel at PCB holders trained in safe PCB management. 10 inspectors/enforcement officers trained to enforce compliance of national laws/norms on PCB management.	Disposal certificates; national and international consultant's report on the implementation of a disposal option; and, the Galapagos pilot project. Monitoring and inspectors reports National PCB data base..	PCB regulation may not be clear or that it has elements that are difficult to fulfill. The regulation needs to be developed with the participation of all stakeholders to obtain the commitment of the majority. Risk: Low Although the sub-committee for PCB management exists, the electrical sector companies should be in agreement to develop a common centralized solution to PCB disposal. Risk: Low
Outcome 1³ Institutional capacity	Number of PCB management regulations developed and validated by	PCB management is not established by regulations and norms that	PCB management regulations and environmentally sound management norms developed	PCB management regulations and norms developed, validated and	The formulation and approval of regulations and norms could be a slow process due to the legal

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

<p>strengthening for sound and environmentally friendly management of PCBs.</p>	<p>regulation institutions.</p>	<p>guarantee their environmentally sound management.</p>	<p>and validated.</p>	<p>distributed among electrical sector and institutional stakeholders.</p>	<p>process that it concerns.</p>
	<p>Number of electrical sector companies implementing PCB management and elimination plans to meet national goals by 2020.</p>	<p>The Constitution and the national development plan establish the elimination of PCBs but there are not regulations for it.</p>	<p>National PCB management and elimination plan up to 2020 approved and in implementation process</p>	<p>National PCB management and elimination plan 2020 approved, published and distributed.</p>	<p>Risk: Medium</p> <p>There may be resistance from PCB holders to the approval of new norms and regulations for PCB management. For this reason they will be involved in the development process.</p>
	<p>Number of inspectors trained to conduct site visits for the verification of compliance to the PCB management regulations.</p>	<p>The regulating institutions do not have the trained inspectors that can evaluate the environmentally sound management of PCBs and compliance of its corresponding regulations.</p>	<p>At least 10 inspectors trained in PCB management evaluation and enforcement in the environmental, electric and health regulating institutions.</p>	<p>Training completion certificates.</p>	<p>Risk: Low</p>
	<p>Number of inspections completed during project implementation (2013-2017).</p>	<p>Limited institutional capacity to present proper reports to the Stockholm Convention.</p>	<p>Inspections made by regulating institutions to each electrical company per semester.</p>	<p>Semester inspection reports.</p>	
	<p>Number of reports to the Stockholm Convention presented on time and in an effective manner.</p>	<p>General public and private sectors are not aware of the risks to health and the environment from inadequate PCB management practices.</p>	<p>PCB inventory updated including equipment, oil and waste, identified and the amounts of tons that have been eliminated, incorporated into the monitoring information system.</p>	<p>Stockholm Convention report with updated and verifiable information on PCB inventory and amount eliminated.</p>	<p>It is assumed that the updated inventories will also involve the equipment that is in the hands of private companies or individuals.</p>
	<p>Number of inventories updated on line with information from the electrical sector companies with PCBs identified and eliminated.</p>		<p>Environmentally sound management of PCB training manual elaborated and implemented in parallel to a training plan for electrical sector companies.</p>	<p>Environmentally sound management of PCBs training manual published and distributed.</p>	<p>Risk: Low</p> <p>The electrical sector companies, generators and distributors, may not budget the necessary funds for inventory completion, storage and disposal on time to meet the project goals.</p>

	Number of publications and activities developed under the awareness raising campaign.		Awareness raising campaign among public and private sectors involved in chemicals management on proper PCB management.	Training completion certificates. Awareness raising, publications elaborated and distributed.	Risk: Medium
Outcome 2 Environmentally sound management of PCBs.	<p>Number of electrical sector companies with PCB management plans, developed and presented to the CONELEC/MAE for approval.</p> <p>Number of occupational health and safety trainers to implement guidelines.</p> <p>Number of occupational health and safety guidelines issued and implemented by the electrical companies.</p> <p>Number of alternative PCB disposal options evaluated with a feasibility study.</p>	<p>There is a lack of a national environmental management and elimination plan that will be a guide for the electrical companies to budget and program activities regarding their PCB issues.</p> <p>Occupational health and safety issues are important when evaluating potential risk for workers who have may have been exposed to PCBs in the past and to prevent future incidents.</p> <p>There is no differentiation, because of the limited inventory, between high and low concentrations of PCB to decide on alternative options.</p>	<p>Technical guidelines for PCB management approved and in process of implementation.</p> <p>Occupational health and safety regulations for personnel exposed to PCB contaminated equipment, oil and waste prepared and in process of implementation.</p> <p>Feasibility studies completed to determine technically and economically viable in-country and out-of-country alternatives for the elimination of PCB contaminated equipment, oil and wastes.</p> <p>Identification of process to be</p>	<p>Technical guidelines for PCB management published and distributed among stakeholders.</p> <p>Occupational health and safety regulations and guidelines for PCB management published and distributed.</p> <p>Feasibility study completed for the selection of a technical option for PCB elimination implemented.</p> <p>Elimination options identified and electrical</p>	<p>The electrical sector companies must be committed to the implementation of the technical and occupational health and safety guidelines and even if it means an investment.</p> <p>Risk: Low</p> <p>The electrical companies may not be interested in forming part of a National Elimination Plan directed to obtain economies of scale, and instead, want to work as individual companies.</p> <p>Risk: Low</p>

			implemented for elimination of PCB contaminated equipment, oils and waste.	companies committed to use them.	
Outcome 3 Environmentally sound storage and disposal of PCB waste.	<p>Number of electrical sector companies with a management plan for the temporary storage of PCB contaminated equipment, oil and waste presented to regulating authorities (CONELEC/MAE) for approval and being implemented.</p> <p>One or a combination of PCB disposal options identified and in tender process for selection of servicers</p> <p>Number of tons of PCB contaminated equipment; oil and waste are eliminated during the project (2013-2017).</p>	<p>Currently, there are no technical standards for temporary storage of PCB inventories.</p> <p>Ecuador lacks of in-country options for PCB disposal and only the exporting of the equipment, oil and waste with a very high cost associated is available.</p> <p>There is not a defined disposal plan for the fulfillment of the country's requirements under the Stockholm Convention or its</p>	<p>Technical guidelines for temporary storage facilities for PCB inventories approved and implemented.</p> <p>Environmentally sound temporary storage of PCB contaminated equipment; oil and waste are implemented in the electrical sector companies.</p> <p>Technically and economically viable PCB elimination option identified and in process of implementation.</p> <p>National disposal plan developed, approved and electrical sector companies committed to its implementation</p>	<p>Storage technical guidelines are published and distributed.</p> <p>PCB management plans for storage approved and implemented in the electrical sector companies.</p> <p>Tender process for selection of disposal option(s) approved and selected.</p> <p>National disposal plan approved, published and distributed.</p>	<p>There may be insufficient financial resources available for PCB environmentally sound disposal among the electrical sector companies, due to present national budget restraints.</p> <p>Risk: Low</p> <p>The project has high interest from the electrical sector companies because of their legal requirements asked for environmental licensing, and from the regulating authorities that control PCB management, therefore, the project must be widely announced and explained.</p> <p>Risk: Low.</p>

	<p>Number of tons of PCB contaminated equipment, oil and waste identified in the Galapagos Islands.</p> <p>Number of tons of identified inventory is removed from the Galapagos island.</p> <p>Number of tons of PCB contaminated equipment, oil and waste eliminated.</p>	<p>national regulations.</p> <p>The Galapagos Islands have electrical equipment that could be potentially contaminated with PCBs. There is a need to develop an inventory and elimination plan for them.</p> <p>Ecuador has committed to the disposal of 750 metric tons of PCBs during the project.</p>	<p>Pilot project for identification and removal of PCB contaminated equipment, oil and waste from Galapagos developed and implemented.</p> <p>Disposal plan for Galapagos PCB inventory developed approved and budgeted.</p> <p>Disposal of 750 metric tons of the existing PCB inventory of contaminated equipment, oil and waste.</p>	<p>PCB inventory of Galapagos Islands completed.</p> <p>Disposal plan with approved budget and programmed timeline for implementation.</p> <p>Disposal certificates</p>	
<p>Monitoring, adaptive feedback, outreach and evaluation.</p>	<p>Number of high quality monitoring and evaluation documents prepared during the project implementation.</p>	<p>No documents in baseline situation.</p>	<p>4 Quarterly Operational Reports submitted to UNDP each year. 1 annual APR/PIR submitted to UNDP each year. 1 Mid-term evaluation. 1 Final evaluation. MTE and FE must include lessons learned section and a strategy for dissemination of project results.</p>	<p>Reports submitted to UNDP</p>	<p>It is assumed that the project manager will prepare all the reports that are required by the GEF and UNDP.</p> <p>Risk: Low</p>

IV. TOTAL BUDGET AND WORK PLAN

Award ID:	75963	Project ID(s):	Project ID 87582
Award Title:	Integrated and Environmentally Sound PCBs Management in Ecuador		
Business Unit:	ECU10		
Project Title:	Integrated and Environmentally Sound PCBs Management in Ecuador		
PIMS no.	4827		
Implementing Partner (Executing Agency)	Ministry of Environment of Ecuador		

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:
OUTCOME 1: Institutional capacity strengthening for sound and environmentally friendly management of PCBs.	MAE	62000)	GEF	71200	International Consultants	0	18,000	0	0	18,000	H
				71300	Local Consultants	94,176	27,175	7,176	3,588	132,115	A,B,C,D,E,F,G,I
				71400	Contractual services	32,200	25,000	0	0	57,200	T
				71600	Travel	4,000	4,000	0	0	8,000	V
				72500	Office equipment	3,786	0	0	0	3,786	W
				74500	Miscellaneous	0	3,633	3,633	3,633	10,899	X
					sub-total GEF	134,162	77,808	10,809	7,221	230,000	
				Total Outcome 1	134,162	77,808	10,809	7,221	230,000		
OUTCOME 2: Environmentally sound management of PCBs.	MAE	62000	GEF	71200	International Consultants	0	100,000	0	0	100,000	J,K
				71300	Local Consultants	14,040	24,040	14,040	7,020	59,140	L
				71400	Contractual services	0	253,500	0	0	253,500	R

				71600	Travel	0	32,500	0	0	32,500	V
				72500	Office equipment	0	0	4,860	0	4,860	W
				72300	Materials and goods.	0	0	0	0	0	
					sub-total GEF	14,040	410,040	18,900	7,020	450,000	
					Total Outcome 2	14,040	410,040	18,900	7,020	450,000	
OUTCOME 3: Environmentally sound storage and disposal of PCBs waste.	MAE	62000	GEF	71200	International Consultants	0	0	0	0	0	
				71300	Local Consultants	35,256	35,256	175,256	17,628	263,396	M,N
				71400	Contractual services	0	0	545,000	244,000	789,000	S
				71600	Travel	0	0	13,850	0	13,850	V
				72500	Office supplies	0	0	0	0	0	W
				74500	Miscellaneous	1,000	1,000	1,000	754	3,754	X
					sub-total GEF	36,256	36,256	735,106	262,382	1,070,000	
	Total Outcome 3	36,256	36,256	735,106	262,382	1,070,000					
OUTCOME 4: MONITORING, LEARNING, ADAPTIVE FEEDBACK & EVALUATION	MAE	62000	GEF	71200	International Consultants		20,000		20,000	40,000	U
				71400	Contractual services	15,000	5,000	5,000	5,000	30,000	O, P
					sub-total GEF	15,000	25,000	5,000	25,000	70,000	
				Total Outcome 4	15,000	25,000	5,000	25,000	70,000		
PROJECT MANAGEMENT UNIT	MAE	62000	GEF	71300	Local consultants	37,500	37,500	37,500	37,500	150,000	Y
				74599	DPS - UNDP cost recovery charges	7,500	7,500	7,500	7,500	30,000	Q
					sub-total GEF	45,000	45,000	45,000	45,000	180,000	
				Total Management	45,000	45,000	45,000	45,000	180,000		
PROJECT TOTAL						244,458	594,104	814,815	346,623	2,000,000	

Summary of Funds:

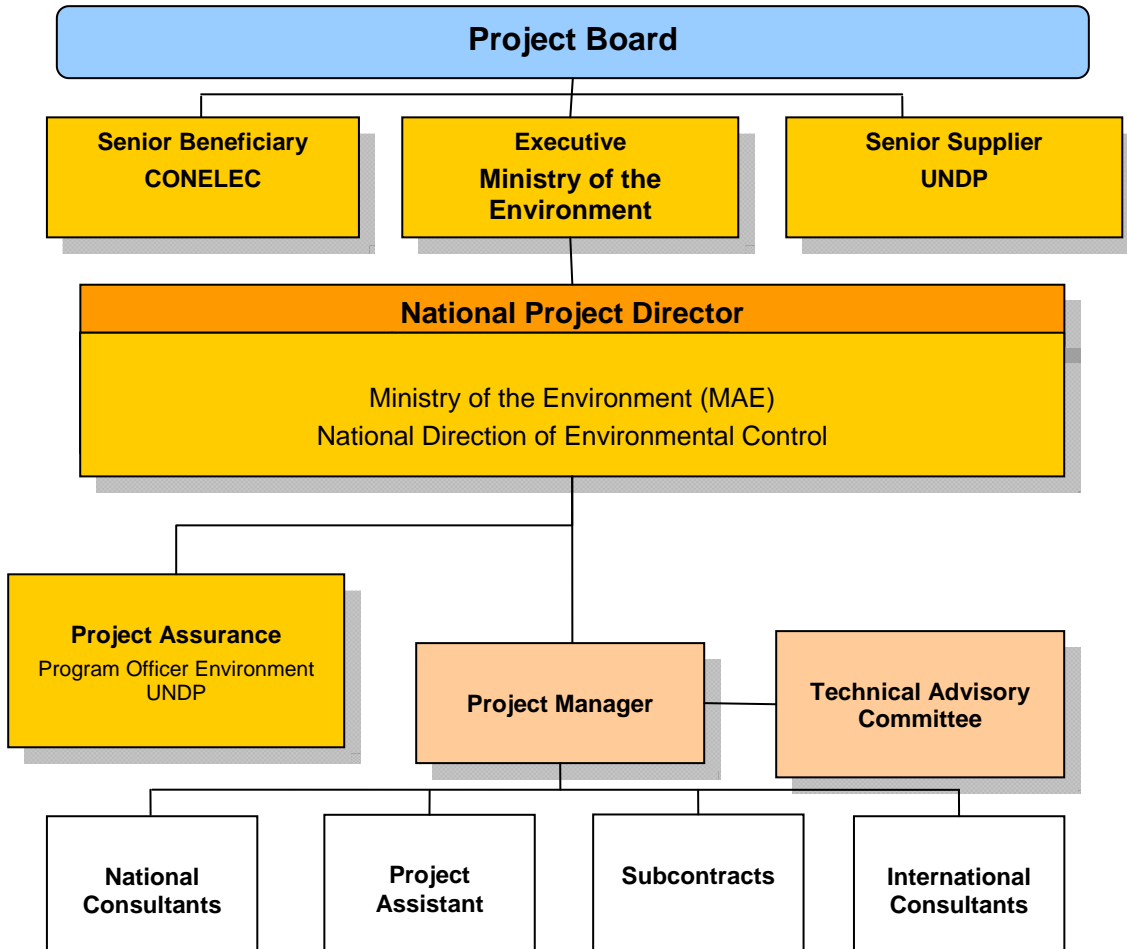
	Amount Year 1	Amount Year 2	Amount Year 3	Amount Year 4	Total
GEF	244,458	594,104	814,815	346,623	2,000,000
Donor 2 (Public Sector)	270,776	270,776	270,776	270,777	1,083,105
Donor 3 (Electrical companies)	1,417,199	2,294,548	3,059,397	1,539,700	8,310,844
TOTAL	1,932,433	3,159,428	4,144,988	2,157,100	11,393,949

Note	Type	Description
A	Local Consultants	Component 1 A1 Environmental management specialist
B	LC	Component 1 A1 Lawyer with experience in formulation of regulations and legislation
C	LC	Component 1 A2 Environmental management specialist with experience in chemical substances
D	LC	Component 1 B1 Chemical substance management specialist
E	LC	Component 1 B1 Chemist with experience in laboratory analysis evaluation
F	LC	Component 1 B2 Information technology expert with experience in systems integration
G	LC	Component 1 C1 Chemical substance management specialist
H	International Consultants	Component 1 B3 PCB management expert
I	LC	Component 1 C2 Chemical substance specialist with training experience
J	IC	Component 2 D3 PCB management /disposal expert
K	IC	Component 2 D5 PCB management expert for Galapagos Pilot Project
L	LC	Component 2 D5 Galapagos pilot project evaluator with experience in chemical substance management
M	LC	Component 3 E1 Chemical substance management expert
N	LC	Component 3 F2 PCB management expert for elaboration of national disposal plan and with companies
O	Audit	Component4 Annual Audit as per UNDP financial rules and regulation.
P	Subcontract	Component4 First year in this budget line \$15,000 relates to the sub contract for the inception workshop.
Q	DPS	Refer to Annex V – Letter of Agreement for Direct Project Services in the Annexes section. To be paid annually as per UPL.
R	Subcontract	Component 2 Subcontract for disposal or storage Management of PCBs.
S	Subcontract	Component 3 subcontract for decontamination / disposal of PCBS wastes
T	Subcontract	Component 1 Training and awareness raising workshops
U	International Consultants	Component 4 PCB management expert for final technical and environmental evaluation.

V	Travel	Components 1, 2 and 3; travel costs related to INS, management and disposal of PCBs
W	Office Supplies	Components 1, 2 and 3; office equipment supplies costs related to Institutional capacity strengthening, management and disposal of PCBs
X	Miscellaneous	Components 1, 2 and 3 Contingency plan costs related to workshops, awareness, capacity strengthening and activities related to management / disposal of PCBs
Y	Y	Project management Unit costs of operations.

V. MANAGEMENT ARRANGEMENTS

PROJECT MANAGEMENT ORGANIZATION CHART



60. The project will be executed through the Ministry of the Environment of Ecuador (MAE), under the direct lead of the National Direction of Environmental Control. The project will be implemented in close coordination with the Ministry of Electricity and Renewable Energy (MEER) through its National Electrification Council (CONELEC). UNDP will be the GEF implementing agency.

61. The MAE will coordinate the project and head the Project Steering Committee. The other members of this committee will be a representative of CONELEC, UNDP-Ecuador. Among its functions, the Project Steering Committee should approve the Annual Work Plan and Annual Budget.

62. Among the management arrangements is the conformation of a Technical Advisor Committee which will be integrated by the members of the existing CONELEC technical-subcommittee for PCB management. This sub-committee meets regularly and works well as a coordinating mechanism. A representative of the academic and ministerial laboratories will be included also. This Technical

Advisor Committee will be in charge of reviewing and contributing with technical issues for the process of implementation.

63. A Coordination Committee will be established, consisting of the Project Management Unit and UNDP - Ecuador. This Committee will meet quarterly to monitor project advances, financial performance and operative issues. These meetings will ensure the compliance with GEF quarterly reporting requirements.

64. The Project Manager will be in charge of coordinating all the activities to obtain the fulfillment of the objectives, outcomes and outputs. The project manager reports directly to the Project Director, which is the Ministry of the Environment of Ecuador (MAE), through its Under-secretary of Environmental Quality and its National Direction of Environmental Control.

65. On the role of GEF Implementing Agency (IA) for this project, UNDP shall provide project cycle management services as defined by the GEF Council (described in Annex IV). The Government of Ecuador shall request to 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 Annexes V and 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 Ecuador acknowledge and agree that these services are not mandatory and will only be provided in full accordance with UNDP policies on recovery of the direct costs.

66. As provider of the fund for this project, the GEF logo will appear on all project Publications. Any quote appearing publications 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.

VI. MONITORING FRAMEWORK AND EVALUATION

67. The project will be monitored through the following M&E activities. The M&E budget is provided in the table below.

Project start:

A 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 with 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.

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. The Project Board is formed by MAE, UNDP and CONELEC.

- e) 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 (30 June to 1 July). 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.

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 \(ERC\)](#).

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

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.

Audit Clause

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. Project will be audited following UNDP Financial Regulations and Rules and applicable audit policies

Learning and knowledge sharing:

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

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.

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

M& E work plan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP GEF 	Indicative cost: 10,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ 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 <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ 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 work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Project manager and team 	0	At least three

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Report	<ul style="list-style-type: none"> ▪ UNDP CO ▪ local consultant 		months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	Indicative cost per year: 5,000	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ 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\$ 70,000 (+/- 5% of total budget)	

VII. LEGAL CONTEXT

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.”

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.

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.

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.

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.

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA’s for the specific countries; or (ii) in the Supplemental Provisions attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof.

This project will be implemented by the agency (name of agency) (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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. 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. 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.

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.

VIII. ANNEXES

Annex I - Electric Sector in Ecuador

The electrical sector in Ecuador is under the responsibility of the Ministry of Electricity and Renewal Energy (MEER), who in turn has created the Consejo Nacional de Electrificación (CONELEC) which is the entity that regulates and monitors all generation, transmission, distribution and commercialization activities undertaken by the concessionary companies.

The CONELEC is responsible for the monitoring of compliance to the Environmental Regulation for Electrical Activities (RAAE). Its mission is to regulate, plan and control all electrical public services and public lighting activities as well as guaranteeing quality, fair pricing and social-environmental responsibility.

The electrical sector is grouped into the Corporación Nacional de Electricidad (CNEL) which has 10 companies, the Electrical Companies EE with 10 companies and the public company Corporación Eléctrica del Ecuador, S. A. (CELEC) that groups 6 companies. These three entities provide electrical generation and distribution to all of Ecuador, including the Galapagos Islands.

The CNEL includes the following companies that respond to different regions of the country:

- Empresa Eléctrica Esmeraldas S.A.
- Empresa Eléctrica Regional Manabí S.A.
- Empresa Eléctrica Santo Domingo S.A.
- Empresa Eléctrica Regional Guayas-Los Ríos S.A.
- Empresa Eléctrica Los Ríos C.A.; Empresa Eléctrica Milagro C.A.
- Empresa Eléctrica Península de Santa Elena S.A.
- Empresa Eléctrica El Oro S.A.; Empresa Eléctrica Bolívar S.A.
- Empresa Eléctrica Regional Sucumbíos S.A.

The Electrical Companies (EE) are:

- Empresa Eléctrica Quito, S. A.
- Empresa Eléctrica Regional Centro Sur C.A.
- Empresa Eléctrica Regional El Oro
- Corporación de administración Eléctrica Guayaquil (CATEG)
- Empresa Eléctrica Ambato
- Empresa Eléctrica Galápagos
- Empresa Eléctrica Norte
- Empresa Eléctrica Azogues C.A.
- Empresa Eléctrica Provincial de Cotopaxi

The CELEC EP is made up of the following companies:

- Hidropaute, S. A.
- Electroguayas, S. A.
- Termoesmeraldas, S. A.
- Termopichincha, S. A.
- Hidroagoyan, S. A.
- Transelectric, S. A.

Annex II - Project Management Arrangement - Stakeholder Considerations

In order for the achieve PCB environmentally sound management in Ecuador, the project team should first define the scope of each stakeholders participation, and through a participatory process obtain their commitment.

The main stakeholders are The Ministry of Environment, the Ministry of Electricity and Renewal Resources (MEER), the National Electrical Council (CONELEC), Public and Private companies, Civil Society organizations, NGOs, Research centers and the Industrial Sector Organizations.

The project document illustrates the Management Arrangements and organizational chart, but for the coordinating mechanism to be efficient, the following commitment process is suggested:

1. The MAE and the CONELEC need to enhance the work that the CONELEC technical subcommittee has been doing with PCB management and the sector obligations.
 2. The CONELEC is who issues the environmental licensing for the electrical companies and therefore is the direct monitor of compliance with the environmentally sound management of PCBs.
 3. The Technical Consulting Committee that will be formed should have representatives from: CONELEC, MAE, the electrical companies and research institutes. This committee should meet regularly and be the coordinating mechanism providing all necessary information for the decision making process.
 4. The Technical Consulting Committee should facilitate and promote the necessary institutional coordination for the fulfillment of the project planning, expected outputs and outcomes.
 5. Some actions to be taken for the involvement of all the stakeholders are the formulating of working groups, institutional agreements, workshops and seminars for awareness raising and training.
-

Annex III: Overview of Co-finance

Institution	Amount (USD)
Empresa Eléctrica Azoguez	90,024.80
Corporación Nacional de Electricidad	1,946,751.18
Empresa Eléctrica Riobamba S.A	767,789.24
Empresa Eléctrica Regional Centro Sur S.A	1,504,494.38
Empresa Eléctrica Pública de Guayaquil. EP	1,977,327.78
Empresa Eléctrica Provincial Cotopaxi S.A	155,000.00
Empresa Eléctrica Provincial Galápagos S.A	385,136.00
Empresa Eléctrica Regional del Sur S.A	486,640.00
Empresa Eléctrica Quito S.A	997,680.16
Ministerio de Electricidad y Energía Renovable	350.000,00
Consejo Nacional de Electricidad	89.200,00
Ministerio del Ambiente	643.905,00
Total	9,393,948.54

Annex IV: Project Cycle Management Services

Stage	Country Office ⁴	UNDP/GEF
Identification, Sourcing/Screening of Ideas, and Due Diligence	Identify project ideas as part of country programme/CPAP and UNDAF/CCA.	<ul style="list-style-type: none"> • Technical input to CCA/UNDAFs and CPAPs where appropriate. • Input on policy alignment between projects and programmes. • Provide information on substantive issues and specialized funding opportunities (SOFs). • Policy advisory services including identifying, accessing, combining and sequencing financing. • Verify potential eligibility of identified idea.
	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"> • Research and development. • Provide up-front guidance. • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Training and capacity building for Country Offices.
	<p><i>Appraisal:</i></p> <ul style="list-style-type: none"> • Review and appraise project idea. • Undertake capacity assessments of implementing partner as per UNDP POPP. • Environmental screening of project as and when included in UNDP POPP. • Monitor project cycle milestones. 	<ul style="list-style-type: none"> • Provide detailed screening against technical, financial, social and risk criteria. • Determine likely eligibility against identified SOF.
	<p><i>Partners:</i></p> <ul style="list-style-type: none"> • Assist proponent to identify and negotiate with relevant partners, co financiers, etc 	<ul style="list-style-type: none"> • Assist in identifying technical partners. • Validate partner technical abilities.
	<p><i>Obtain clearances:</i></p> <ul style="list-style-type: none"> • Government, UNDP, Implementing Partner, LPAC, co financiers, etc. 	<ul style="list-style-type: none"> • Obtain SOF clearances.
Project Development	<p><i>Initiation Plan:</i></p> <ul style="list-style-type: none"> • Management and financial oversight of Initiation Plan • Discuss management arrangements 	<ul style="list-style-type: none"> • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA
	<p><i>Project Document:</i></p> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, co financiers, etc. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, co financiers, etc. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on 	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence. • Facilitate issuance of DOA

- 4 As per UNDP POPP with additional SOF requirements where relevant.

Stage	Country Office ⁴	UNDP/GEF
	development stage as needed.	
<p><i>Key UNDP/GEF management performance indicators/targets for Project Development:</i></p> <ol style="list-style-type: none"> Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> Target for GEF trust fund project: FSP = 18 months or less, MSP 12 months or less. Target for LDCF and SCCF: FSP/MSP = 12 months or less. Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> Target = 4 months or less 		
Project Oversight	<i>Management Oversight and support</i>	<i>Technical and SOF Oversight and support</i>
	<p><i>Project Launch/Inception Workshop</i></p> <ul style="list-style-type: none"> Preparation and coordination. 	<ul style="list-style-type: none"> Technical support in preparing TOR and verifying expertise for technical positions. Verification of technical validity / match with SOF expectations of inception report. Participate in Inception Workshop
	<p><i>Management arrangements:</i></p> <ul style="list-style-type: none"> Facilitate consolidation of the Project Management Unit, where relevant. Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RTA. Provide project assurance role if specified in project document. 	<ul style="list-style-type: none"> Technical input and support to TOR development. Troubleshooting support. Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process.
	<p><i>Annual Work Plan:</i></p> <ul style="list-style-type: none"> Issuance of AWP. Monitor implementation of the annual work plan and timetable. 	<ul style="list-style-type: none"> Advisory services as required Review AWP, and clear for ASL where relevant.
	<p><i>Financial management:</i></p> <ul style="list-style-type: none"> Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget. Ensure necessary audits. 	<ul style="list-style-type: none"> Allocation of ASLs, based on cleared AWP Return of unspent funds to donor Monitor projects to ensure activities funded by donor comply with agreements/ProDocs Oversight and monitoring to ensure financial transparency and clear reporting to the donor
	<p><i>Results Management:</i></p> <ul style="list-style-type: none"> 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. Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance. 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. Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion. 	<ul style="list-style-type: none"> Advisory services as required. Quality assurance. Project visits – at least one technical support visit per year.

Stage	Country Office ⁴	UNDP/GEF
	<p><i>Evaluation:</i></p> <ul style="list-style-type: none"> • Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations. • Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports. • Participate as necessary in other evaluations. • Ensure tracking of committed and actual co financing as part of mid-term and final evaluations. • Prepare management response to project evaluations and post in UNDP ERC. 	<ul style="list-style-type: none"> • Technical support and analysis. • Quality assurance. • Compilation of lessons and consolidation of learning. • Dissemination of technical findings. • Participate as necessary in other SOF evaluations.
	<p><i>Project Closure:</i></p> <ul style="list-style-type: none"> • Final budget revision and financial closure (within 12 months after operational completion). • Final reports as required by donor and/or UNDP/GEF. 	<ul style="list-style-type: none"> • Advisory services as required. • Technical input. • Quality assurance.
<p><i>Key UNDP GEF management performance indicators/targets for Project Oversight:</i></p> <ol style="list-style-type: none"> 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"> • Target = 100% 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"> • Target = Rating of Satisfactory or above 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"> • Target = Rating of Satisfactory or above 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"> • Target = Satisfactory or above 		

Annex V – Letter of Agreement for Direct Project Services

Letter of Agreement

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF ECUADOR FOR THE PROVISION OF SUPPORT SERVICES

Dear Lorena Tapia

Minister - Ministry of Environment of Ecuador (MAE)

1. Reference is made to consultations between officials of the Government of Ecuador (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 Ecuador and the United Nations Development Programme in Ecuador signed in Quito, (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,

Signed on behalf of UNDP
Diego Zorrilla
Resident Representative

For the Government
Lorena Tapia
Minister of Environment
Ministry of Environment of Ecuador (MAE)
[Date]

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between the Ministry of Environment (MAE), the institution designated by the Government of Ecuador and representatives of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme or project 87582 **Integrated and Environmentally Sound PCB Management in Ecuador** (award 75963) "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:

Support services* (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
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 (hereinafter MAE), will act as the National Implementing Partner⁵, through the National Direction of Environmental Control (hereinafter NDEC), and with the support of UNDP as a GEF Implementing Agency. The NDEC will be responsible for directing and managing the project and monitoring compliance with project work plans as a basis for project execution. Within the NDEC 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 Ecuador, 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.

⁵ National Execution partner under new harmonized definition.

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 Ecuador, 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-coordinator 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 there from. 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 there from;

(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 there from 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 judgment 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 VI – Government Endorsement letter

Annex VII – UNDP Universal Price List

Universal Price List (UPL) - 2011/2012/2013
Valid from October 1st 2011

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

SIGNATURE PAGE

Country: _____

UNDAF Outcome (s)/Indicator (s): *Link to UNDAF Outcome. If no UNDAF leave blank.*

CPAP Outcome (s)/Indicator (s):

CPAP Output (s)/Indicator (s):

Executing Entity/Implementing Partner
Implementing entity/Responsible Partner

Programme Period: _____	Total resources required _____
Atlas Award ID: _____	Total allocated resources: _____
Project ID: _____	• Regular _____
PIMS # _____	• Other: _____
Start date: _____	o GEF _____
End Date _____	o Government _____
Management Arrangements _____	o In-kind _____
PAC Meeting Date _____	o Other _____

Agreed by (Government):

NAME
Date/Month/Year

SIGNATURE

Agreed by (Executing Entity/Implementing Partner):

NAME	SIGNATURE
Date/Month/Year	

Agreed by (UNDP):

NAME	SIGNATURE
Date/Month/Year	