



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4782		
Country/Region:	Lao PDR		
Project Title:	Strengthening POPs Management Capacities and Demonstration of PCB Destruction at the Energy Sector		
GEF Agency:	UNIDO	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	POPs
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CHEM-1; Project Mana;		
Anticipated Financing PPG:	\$58,000	Project Grant:	\$1,400,000
Co-financing:	\$5,600,000	Total Project Cost:	\$7,058,000
PIF Approval:	April 11, 2012	Council Approval/Expected:	June 07, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Evelyn Swain	Agency Contact Person:	Mr. Zhengyou PENG

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes. Lao PDR has ratified the SC and developed its NIP.	Yes.
	2. Has the operational focal point endorsed the project?	Yes. OFP endorsed the project in July 2011.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes. Enjoying close relationship with the industries, UNIDO is well positioned to provide capacity building and technical assistance for ESM of hazardous waste. UNIDO also has experiences in similar projects.	Yes, UNIDO has comparative advantage.
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	NA	NA

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated 11-22-2010

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	5. Does the project fit into the Agency's program and staff capacity in the country?	Please rewrite C.2 to sufficiently answer this question. April 11, 2012_JP UNIDO's National Cleaner Production Center(NCPC) in Laos and regional office in Thailand will be involved in the project.	Yes.
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?	Yes	Yes.
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• Nagoya Protocol Investment Fund		
Project Consistency	• focal area set-aside?		
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Yes	Yes.
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	Yes. CHEM1	Yes, Chem 1.
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	Yes, the proposed project is consistent with Lao's NIP priorities.	Yes, the project is aligned with the NIP.
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	The project will definitely help to develop capacities in the country, esp. that of SC unit under the Water Resources and Environment	The project will build in country capacity to destroy PCBs leading to sustainable outcomes.

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		<p>Administration, but there is no clear vision of how it will contribute to the sustainability of project outcomes. Please elaborate.</p> <p>April 11, 2012_JP At CEO endorsement stage, it should be stated whether the project is seeking for procurement or temporary leasing of PCB disposal equipments. PCB inventory shows that there are 6,867 transformers in the country, the proposed project aims at the disposal of 1,000. How temporary leasing of equipments takes into account the disposal of the remaining capacitors after its end-of-life needs to be justified.</p>	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>B.1 of the current document is a mixture of description about implemenetation/execution arrangements and baseline project/situation. Please separate the two parts. While rewriting baseline project, please make sure to present clearly how proposed GEF project builds on baseline project.</p> <p>April 11, 2012_JP Addressed</p>	Yes, the baseline project is clear.
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		The disposal cost is expected to be \$1-2/kg which is cost effective compared to other approaches.

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	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	To be assessed after baseline part is rewritten. April 11, 2012: Addressed	Yes, the incremental reasoning is clear.
	14. Is the project framework sound and sufficiently clear?	UNIDO is planning to introduce BAT for environmentally sound disposal of 250 tons of PCB contaminated transformers to Laos through procurement or temporary leasing. In this way, disposal costs will be 8000 USD per ton. And 20 tons of contaminated soil will be exported abroad for incineration. There are a few questions: 1. What type of BAT will be introduced and why? What are the considerations behind procurement and temporary leasing, taking into account national and regional context? 2. How significant is the proposed disposal amount in comparison to the total amount of inventoried contaminated equipments and waste? Generally yes. 3. Does the project aim to develop a detailed national PCB inventory or just inventorize, test and label about 1000 transformers? April 11, 2012_JP Addressed	Yes, the framework is clear.
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	To be assessed April 11, 2012_JP Addressed	Yes, the incremental benefits are sound.

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	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?	Yes	Yes.
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	Yes	Yes.
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	<p>Para 29 About Climate change risk CC risk is identified as non-exist since PCB oils will be recycled rather than incinerated. Does this mean that PCB oil collected from decontamination of 250 tons of transformers will be recycled? for what use? It is said clearly that 20 tons of contaminated soil will be exported for incineration. Since incineration is still involved in this project, climate change risk is still relevant.</p> <p>About risk of larger contaminated soil amount The mitigation measure for this risk includes "during the development of the MSP document an alternative budget and work plan will be prepared". Which MSP is it referring to? How it solves/mitigates the risk is unclear. Please come up with corresponding measures.</p> <p>About "exposure assessment and risk</p>	Yes, risks ate addressed.

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		<p>estimation" risk Should this be a risk or instead a mitigation measure to reduce exposure risk? Please clarify. The mitigation measures identified do not seem to be included as project activities? Please clarify.</p> <p>April 11, 2012_JP Addressed</p>	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>No. It is not addressed in the project document.</p> <p>GEF is providing some information below to help further development of the project. Please try to make coordination arrangement if appropriate.</p> <p>BCRC-Asia and Pacific is using QSP resources to execute a regional project on "Capacity Strengthening and Information Exchange on PCBs Management". Lao PDR is one of the participating countries. The project will help to build national PCBs management policies and develop regional strategy and information exchange platform.</p> <p>WB has done a National Training Workshop on Health Risk Management of Persistent Organic Pollutants (POPs) in South East Asia in 2009.</p> <p>JICA has done a Study on Power Network System Plan in Lao PDR with EDL.</p> <p>Please identify other related initiatives</p>	Yes, the project is coordinated with other initiatives.

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		the country and regional for coordination. April 11, 2012_JP Addressed	
	20. Is the project implementation/ execution arrangement adequate?	Although mixed with baseline project, project implementation/exeduction arrangement is adequate for PIF stage.	Yes.
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		The the project structure is very close.
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		NA
Project Financing	23. Is funding level for project management cost appropriate?	There is no PMC indicated. PMC is 4.6% of the total project costs.	Yes.
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	The project cost appears too high. Should not be more than \$ 1.4 million. April 11, 2012_JP Addressed	Yes.
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	Even as an LDC, the current co-financing ratio of 1:2 is still too low. Please increase co-financing closer to GEF requirement. April 11, 2012_JP Addressed	Co-financing letters from private sector partner is missing.
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	UNIDO is bringing 100,000 USD to the project, 70,000 inkind, 30,000 in cash.	UNIDO brings \$50,000 cash and \$50,000 in-kind.

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Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		Tracking Tools are missing.
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		Yes.
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		STAP comments have been addressed.
	• Convention Secretariat?		NA
	• Council comments?		NA
	• Other GEF Agencies?	NA	NA
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	Not at this stage. Pending clarification of above mentioned issues. April 11, 2012_JP Issues have been clarified. Recommended for PIF clearance.	
	31. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		Yes progress of PPG is included.
	33. Is CEO endorsement/approval being recommended?		Not at this time. Co-financing letters from the private sector and tracking tools are missing. ES, Feb 12, 2014: Not at this time. Tracking tools are provided and accepted. A co-financing letter from the private sector was provided, but the letter is missing an associated dollar

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			amount. Please provide a letter that includes financial commitments. ES, April 10, 2014: All issues have been addressed. CEO endorsement is recommended.
Review Date (s)	First review*	November 30, 2011	December 19, 2013
	Additional review (as necessary)	April 11, 2012	February 12, 2014
	Additional review (as necessary)		April 10, 2014
	Additional review (as necessary)		
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	The current table on proposed PPG activities is incomplete. GEF will assess the appropriateness of activities after this issue is addressed. June 21, 2012_JP Not addressed. Activities to be carried out during PPG stage is still not clear, for example, proposed activities will include refinement of PCB inventory, development of PCB strategy, and stakeholder analysis. However, task description under Annex A is very general and has little to do with the activities proposed. Please redesign the PPG activities and make sure that the objectives will be achieved through designed activities. Sep. 5, 2012 Addressed
	2. Is itemized budget justified?	No. The total amount for PPG is too high (almost 6% of total GEF grant) and activities to be carried out are incomplete. Please significantly reduce total PPG amount and provide justifications for the necessity of activities to be carried out

		<p>during PPG stage. Please note that there are other similar projects for which less than 3% of total GEF grant is required for PPG with similar activities indicated in this project.</p> <p>Please provide itemized budget for all activities and indicate funding sources (GEF or co-financing.)</p> <p>June 21, 2012_JP Total PPG amount is reduced.</p> <p>Sep. 5, 2012 Addressed</p>
Secretariat Recommendation	3. Is PPG approval being recommended?	<p>Not at this stage. Please address above comments.</p> <p>June 21, 2012_JP Please address the comments.</p> <p>Sep. 5, 2012 PPG approval is recommended. The revised PPG document addressed previous comments. The implementation of this PPG is expected to help Lao PDR to refine its national PCB inventory, develop strategies for environmentally sound management of PCB and PCB-conventining equipments and wastes, mobilize co-financing resources and develop a FSP document.</p>
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	June 21, 2012

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