



PROJECT IDENTIFICATION FORM (PIF)¹

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

| | | | |
|---|---|------------------------------|-----------|
| Project Title: | PCB management and disposal at the energy sector | | |
| Country(ies): | Lao People's Democratic Republic | GEF Project ID: ² | 4782 |
| GEF Agency(ies): | UNIDO (select) (select) | GEF Agency Project ID: | |
| Other Executing Partner(s): | Ministry of Natural Resources and Environment (MONRE) | Submission Date: | |
| GEF Focal Area (s): | Persistent Organic Pollutants | Project Duration (Months) | 48 months |
| Name of parent program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> | | Agency Fee (\$): | 140,000 |

A. FOCAL AREA STRATEGY FRAMEWORK³:

| Focal Area Objectives | Expected FA Outcomes | Expected FA Outputs | Trust Fund | Indicative Grant Amount (\$) | Indicative Co-financing (\$) |
|--------------------------------------|---|---|------------|------------------------------|------------------------------|
| (select) CHEM-1 | Outcome 1.4: POPs waste prevented, managed and disposed of and POPs contaminated sites managed in an environmentally sound manner | Output 1.4.1: PCB management plans under development and implementation | GEFTF | 1,335,000 | 5,300,000 |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | | | (select) | | |
| (select) (select) | Others | | (select) | | |
| Sub-Total | | | | 1,335,000 | 5,300,000 |
| Project Management Cost ⁴ | | | GEFTF | 65,000 | 300,000 |
| Total Project Cost | | | | 1,400,000 | 5,600,000 |

B. PROJECT FRAMEWORK

| Project Objective: To facilitate the implementation of the Stockholm Convention on POPs in respect of sound management of PCBs and PCB-containing equipment and wastes including development of specific legislations, implementation of environmentally sound management practices, inventory, testing, labelling of at least 1000 electrical equipment and disposal / decontamination of 250 tonnes of PCB-containing equipment and wastes. | | | | | | |
|--|------------|---|---|------------|------------------------------|-----------------------------|
| Project Component | Grant Type | Expected Outcomes | Expected Outputs | Trust Fund | Indicative Grant Amount (\$) | Indicative Cofinancing (\$) |
| 1. Policy, legal framework and institutional capacity | TA | Strengthening of institutional, legislation, policy framework and enforcement for | 1.1 Specific policy / legal framework drafted, adjusted and enacted in accordance with the requirements of the SC | GEFTF | 100,000 | 400,000 |

¹ It is very important to consult the PIF preparation guidelines when completing this template.

² Project ID number will be assigned by GEFSEC.

³ Refer to the reference attached on the [Focal Area Results Framework](#) when filling up the table in item A.

⁴ GEF will finance management cost that is solely linked to GEF financing of the project. PMC should be charged proportionately to focal areas based on focal area project grant amount.

| | | | | | | |
|--|----------|--|--|----------|------------------|------------------|
| | | management of PCBs | 1.2 Strategy for enforcement developed and implemented 1.3 Technical and human capacities for management of PCBs strengthened | | | |
| 2. Technology transfer for sound management of PCBs in energy sector | TA | Application of BATs in all stages of PCBs waste management and disposal | 2.1 Detailed inventory and labelling of at least 1000 transformers undertaken at major PCB owners 2.2 PCB phase-out plan developed and implemented 2.3 Technical options selected for the safe disposal of 250 tonnes of PCBs containing equipment and wastes 2.4 Operation of a decontamination BAT sustained after the termination of the project | GEFTF | 1,100,000 | 4,400,000 |
| 3. Public awareness raising, education, dissemination of project results | TA | Increased public awareness on issues concerning PCBs impact on health and environment, and reduced number of accidents of unintentional contacts of people with PCB-contaminated materials | 3.1 Health and environmental impact issues assessed 3.2 Stakeholder engagement including NGOs and civil society established 3.3 Training and educational material developed 3.4 Awareness raising programmes implemented | GEFTF | 70,000 | 250,000 |
| 4.1 Impact monitoring and evaluation | TA | Assessment of the impact of project activities | 4.1 Impact indicator designed and applied 4.2 Project implementation and impacts evaluated | GEFTF | 65,000 | 250,000 |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| | (select) | | | (select) | | |
| Sub-Total | | | | | 1,335,000 | 5,300,000 |
| Project Management Cost ⁵ | | | | GEFTF | 65,000 | 300,000 |
| Total Project Costs | | | | | 1,400,000 | 5,600,000 |

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

| Sources of Cofinancing | Name of Cofinancier | Type of Cofinancing | Amount (\$) |
|------------------------|---|---------------------|-------------|
| National Government | Ministry of Natural Resources and Environment (MONRE) | In-kind | 1,000,000 |
| Private Sector | Electric Du Lao (EDL) | Grant | 1,800,000 |
| Private Sector | Electric Du Lao (EDL) | In-kind | 2,700,000 |
| GEF Agency | UNIDO | Grant | 13,300 |

⁵ Same as footnote #3.

| | | | |
|--------------------------|-------|----------|-----------|
| GEF Agency | UNIDO | In-kind | 86,700 |
| (select) | | (select) | |
| (select) | | (select) | |
| (select) | | (select) | |
| (select) | | (select) | |
| (select) | | (select) | |
| Total Cofinancing | | | 5,600,000 |

D. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

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

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

² Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 the [GEF focal area/LDCF/SCCF](#) strategies /[NPIF](#) Initiative:

1. The project is in consistent with Chemicals Objective 1: Phase out POPs and reduce POPs releases, Outcome 1.4: POPs waste prevented, managed and disposed of and POPs contaminated sites managed in an environmentally sound manner, Output 1.4.1: PCB management plan under development and implementation.

A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

n/a

A.1.3 For projects funded from NPIF, relevant eligibility criteria and priorities of the Fund:

n/a

A.2. national strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

2. The proposed project reflects the national priorities set out in the NIP. GEF catalytic role through the Enabling Activities (EA) project assisted Lao PDR to develop its preliminary inventories on POPs, which identified PCBs and PCB wastes amongst the highest priorities for implementation. The NIP is the first national plan initiated during the four year (2007-2011) period. The PCBs action plan of the NIP is in line with the government policy framework, notably the National Growth and Poverty Eradication Strategy (NGPES) and Lao PDR's millennium development goals in the following areas: (i) improvement of public health; (ii) prevention of releases of toxic chemicals into the environment; and (iii) reduction of poverty through reducing costs of health services. Thus, the proposed project has the full support of the government.
3. The proposed project will contribute towards the improvement of the national and global environment by introducing the integrated environmentally sound management of contaminated electrical equipment, and through decontamination of 250 tonnes of PCB containing equipment, and by preventing the contamination of the PCB-free equipment.
4. The objective of the proposed project is in line with the National Environmental Strategy and Action Plan by supporting (i) capacity building and human resources development for environmental safeguards; (ii) development projects with minimal environmental and social impacts; (iii) design and implementation of plans for integrated resource management. The project will provide good opportunity for involving national stakeholders, including women's groups and groups involved in the health of children, to facilitate the implementation process as required by paragraph 2 of Article 7 of the Stockholm Convention. Environmentally Sound Waste Management is among the national priorities identified in many strategic documents such as the National Strategy on Environment to the year 2020 recently adopted by the Government. In line with the National Strategic Socio-economic Development Plan (2006-2010), the project aims to introduce an environmentally sound management of the PCB-containing equipment and wastes in the country and in the long-term to fulfill the requirements of the Stockholm Convention.
5. To ensure sustainability of actions aimed at the Environmentally Safe Management of Hazardous Waste (including PCBs) the project will act in 2 different levels:
 - by ensuring (Component 1) that the regulations concerning hazardous waste are implemented and enforced, as no action aimed at disposal of waste is sustainable in the absence of a regulation obliging waste owners to dispose their waste; and
 - by ensuring (Component 2) that the technologies for the environmentally safe disposal of hazardous waste (with specific reference to PCBs) compliant with the SC BAT/BEP guidelines, are made available to the waste producer at an affordable cost, because even in presence of the strict regulation, if no technology is available, the PCB owners would not have the capability to fulfill the regulation requirements.

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

Baseline scenario:

6. Lao PDR has ratified the Stockholm Convention on Persistent Organic Pollutants on 28th June 2006 aiming at protecting human health and the environment. In order to fulfill its obligations under the Convention, Laos has

developed its National Implementation Plan (NIP) to establish and prioritize action plans to comply with its obligation under the Convention. All relevant national stakeholders participated proactively in this process and their joint efforts resulted in the establishment of an informal system of cooperative approach and strong commitments towards the implementation of the formulated needs and readiness to continue this cooperation by implementing the crucial measures of the NIP. The finalised NIP was successfully endorsed by the national Government and transmitted to the SC COP on the 11th of August 2010.

7. Based on the identification and specific assessment of original POPs related issues, priority issues for the management of POPs in Lao PDR were built upon the participation of relevant institutions and stakeholders, and environmentally sound management of PCBs has been identified as one of the top priorities of the NIP.
8. The following prioritized problems of PCBs were addressed in the NIP: (1) Lack of both human resources and technical facilities to effectively manage and phase out PCBs; (2) Lack of specific laws and regulations on PCB management, including the use, storage and disposal of PCBs; (3) Lack of appropriate laboratory capacity; (4) Improper management of used and obsolete transformers and dielectric capacitors; (5) Lack of safety precaution and protection measures for handling PCB contaminated equipment and contaminated sites including workshops, warehouses, etc.; (6) Lack of awareness on PCBs hazards at all levels; (7) Lack of awareness on the technical safeguard and hazard of PCBs amongst employees and workers; (8) Lack of data records and database management system on PCBs; and (9) Lack of national as well as international mechanism for information exchange and technological transfer.
9. During the NIP development, the “preliminary” PCB inventory was undertaken between January to August 2005 throughout six main provinces of Lao PDR. The inventory process revealed that Lao PDR did not produce PCBs and dielectric fluids. Presence of PCBs and dielectric fluid in the country is through import of the electrical equipment and devices such as transformers and capacitors. The preliminary PCBs inventory identified the presence of about 6,867 dielectric transformers in the country. Based on the records of 5,332 transformers, 5136 units are found to be in use, 45 units are standing-by for use, 86 units are awaiting repair, and 69 units are awaiting disposal. In addition, it has been recorded that of those units 773 are assumed to contain PCBs, and 238 contain PCBs dielectric fluid.
10. The data were gathered from information based on the manufacturing date, dielectric type, cooling system, historical repairing, and missing or illegible name plates. Furthermore, it is estimated that, considering the existing practice of using oil from decommissioned transformers for refilling the operational transformers during their repair or service and evaluating the findings of screening test analysis on dielectric fluid, upto 30% of the transformer park might be cross-contaminated with PCBs.
11. The inventory process also revealed that owners dealing with PCBs, PCB-containing equipment and wastes are in general aware about the hazardous characteristics of PCBs and their toxic effects to human health and the environment. Although the results of the preliminary inventory are available to the PCB owners, measures to undertake environmentally sound management, especially with respect to the protection and safety measures for workers, including women and children, dealing with PCBs as well as prevention of PCB leakage to the environment are still preliminary. There are currently no specific laws regulating the sound management of PCBs, PCB-containing equipment and wastes that will oblige PCB owners to introduce occupational safety and environmentally sound PCB disposal measures. Capacities to incinerate PCB waste is also not available in Laos, thus leading to the only available option of exporting PCB-containing equipment and waste abroad to a qualified incineration company. Estimation of high costs for PCB owners and non-assurance of safe disposal among others are potential risk factors for this option.
12. Following the ratification of the Convention, the national Government of Lao PDR showed its willingness to meet its obligations under the SC on POPs and has already undertaking several measures to initiate its implementation. As a first step, they requested MONRE to start preparing the recommendations for incorporating the requirements of the SC on POPs in the local environmental legislation. However, knowledge capacity on PCB management, phasing out and disposal is currently not sufficient to ensure the development of policy and legislation with high international standards. It is important to mention that the country has already accumulated resources required for the implementation of the SC (which can be seen in their co-financing commitments to the proposed project).
13. In view of this, the proposed project will facilitate the implementation of SC with respect to PCBs-containing equipment and wastes including the development of specific legislations, the implementation of environmentally sound management practices, inventory, testing and labeling of at least 1,000 electrical equipment, safe storage of PCB-containing equipment and wastes and their safe disposal.
14. Preliminary consultation concerning the proposed project, its scope and required budget have been conducted by the GEF National Focal Point within the Steering Committee of the POPs EA project, which represents principal

stakeholders. The appropriate consultations between the Government, IA, national and international donors will be conducted during the project formulation phase.

15. The NIP has also identified limited public awareness on issues concerning POPs wastes including PCBs impact on health and the environment. Stakeholder agreement and dissemination of training and educational material on safe management, handling, safety storage, labeling, transport and disposal of PCBs are not sufficient to ensure the compliance with the SC.
16. With respect to the limited resources, this would delay the implementation of the SC obligation in respect of PCB, thus increasing the leakages of PCB to environment, spreading PCBs to currently PCB-free energy equipment through cross-contamination and will increase the volumes of PCB wastes (equipment, oil and contaminated soil), which finally need to be decontaminated or disposed of. It could be estimated that the above delay of the PCB disposal without the requested support will result in annual increase of the total disposal costs by 8-10%. It does not include the estimation of the damages to the health of the population, which is difficult to calculate at this stage.

Baseline project:

17. The proposed baseline project will be based on the following components, deriving from the project profiles included in the NIP:
 - a. **Policy and legal framework, institutional capacity** (NIP Project profiles B1 and B8). This component includes the development of legal instruments or technical guidelines for managing PCBs, and the capacity building and public awareness on PCBs issue for institutional stakeholders.
 - b. **Capacity building.** (NIP project profiles B6, and B8). This component includes the development of laboratory capacity for PCBs, and the Capacity Building and awareness raising on PCB issue on industrial and private stakeholders.
 - c. **Inventory of PCBs** (NIP Project profiles B2 and B9). This component includes the carrying out of a detailed inventory of PCBs containing and contaminated equipment, as well as the establishment of a database for PCBs management
 - d. **Environmentally safe management of PCBs.** (NIP profiles B3, B4, B5, B7) This component includes the assessment of socio-economic aspects for phasing out of electrical equipment and accessories that contains or are contaminated with PCBs; the environmentally sound management for “In Use” and “out of use” equipment; methodologies for safe maintenance and repair of electrical equipment.
18. The baseline project arrangement proves that the Government is willing to implement and comply with its obligation under the SC for POPs and will continue to develop and update its administrative instrument for this purpose, however most of the technical capabilities required for the successful carrying out of the activities envisaged under the baseline project, particularly, technologies for the ESM management of PCBs, are missing at the country level.
19. The proposed project will be developed in close consultation with the MONRE and the private sector Electric Du Lao (EDL). EDL is aware of the PCB problem and willing to initiate a large scale programme for “cleaning-up” their equipment, however, without the support from GEF, they will not have the access to BAT/BEPs and their technological solutions of the problem of the PCB disposal will be more expensive and less efficient. In addition, there is the concrete risk that some technological options will not be environmentally safe. The other mode of financing of the PCB disposal actions (loans) will result in delaying the economic development of the country as well as poverty alleviation.

The GEF project:

20. The proposed GEF project will build from a situation where high country commitment and proactive participation of stakeholders are hindered by limited technical capabilities, unavailability of disposal technologies, difficulties to procure advanced analytical equipment and BAT.
21. To maximize the effectiveness of technical assistance, the GEF project will integrate and support the ongoing activities and already started efforts aimed at eliminating PCBs. On the capacity building side, the project will support the country by enhancing the expertise, which is partially available at MONRE and other institutions to guide the private and public sectors to monitor/control/assist the PCB disposal actions by the PCB owners of wastes following the requirements of the SC. On the technology side, the project will support the investment and procurement of commercially available environmentally safe disposal technologies, which are in compliance with the BAT/BEP guidelines established under the Stockholm Convention on POPs.
22. The project will therefore permit to bring to the country a technology for safe disposal of PCB waste either through

its procurement or temporary leasing (to be defined after in-depth inventory) and to initiate the collective actions of PCB owners, who will pay part of the disposal costs (packaging and transportation). The necessity to prepare documentation for international transportation of hazardous wastes will be avoided. Through this the disposal costs will be reduced at least by 40-50%. Other savings will be received through recycling of ferrous and non-ferrous metals and regeneration of oil, which will be cleaned from PCBs molecules and could be used for different purposes. A non-exhaustive list of the technologies considered for the project could be chemical destruction technologies, based on the use of metallic sodium or hydrogen, thermal destruction technologies (plasma or incineration). Although incineration may be considered as a BAT technology if based on up to date plants equipped with state of the art Air Pollution Control Systems (APCS), the extremely high investment cost prevents its use in the project.

23. The project will fully involve the National Cleaner Production Centre (NCPC) established by UNIDO that has accumulated human capacities and technical expertise and will be especially useful in organizing the training activities, assessment of the proposed technologies/disposal methods and conducting the inventory process.
 24. The proposed project will establish a project team consisting of the specialists that participated in the EA project and specialists from the NCPC, with the support of UNIDO international experts as these specialists will have sufficient advanced knowledge and practical experiences in different issues of POPs, their locations, ownership and barriers that prevent their safe disposal in the future as well as conducting inventory on PCBs, which is an important component of the proposed project. They will be able to train or assist the owners of PCB-contaminated equipment to test their transformers for the content of PCB and to organize this information in a database.
- B. 2. incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund/NPIF) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:
25. Without the involvement of GEF, the legislative framework addressing POPs waste management will continue to be scattered. Authorities will not have legal instruments and trained capacity to control, track and guide local industries to implement the requirements of the SC on POPs. PCBs will continue to enter the environment. Decommissioned contaminated transformers will continue to pile up without any leaking preventive measures and release PCBs into the environment. They will continue to stay on the premises of maintenance facilities and/or dumped without any precautions close to schools, hospitals and houses attracting scavengers as sources of secondary metals or curious children as playing grounds. There is also a significant risk of PCB wastes being handled in an unsound manner and environmental NGOs and international organizations will start questioning the preparedness of the country for POPs waste.
 26. With the catalytic assistance of the GEF, the POPs waste management pattern will fundamentally change. By establishing a comprehensive legislative framework with clear working procedures for POPs waste import, handling, transportation and disposal, the Government authorities will be able to track, control and assure that POPs wastes are managed in the country in an environmentally sound manner. The implementation and demonstration of BAT/BEP in the disposal of PCB wastes and decontamination of the valuable metal parts for recycling will lead to a significant lower PCBs releases to environment.
 27. The global environmental benefits of the project will be the reduction of the global POPs stockpiles by 250 tonnes of PCB-containing equipment and wastes in an environmentally sound manner. By applying BAT and strict environmental practices during the disposal of PCB wastes, the releases of unintentional POPs during the disposal process will be avoided.
- B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF). As a background information, read Mainstreaming Gender at the GEF.":
28. The main socio-economic benefit to be delivered by the proposed project will be the reduced risks of exposure to PCBs and other POPs chemicals of local communities who live in the neighborhood of the transformer storage areas. The size of these populations will be assessed and reported in the project terminal report. Public awareness and sensitization activities will also address these groups, specifically women, children and the least educated, since they are the key target groups of the POPs Convention.
 29. During the project implementation, gender equality or equal treatment of women and men in laws and policies, and equal access to resources and services within families, communities and society at large, will be addressed and practiced. To achieve this goal, the project will systematically analyze and address in all of its activities the specific needs of both women and men. The interventions will enable women and men to participate in and benefit equally

from the implementation.

30. The project also aims to identify the potentially sites contaminated by PCBs and will protect the entry to these areas. This will further reduce the negative impact of POPs on the local populations.
 31. The local introduction of BAT for decontamination of PCB-containing equipment and wastes will reduce the costs from US\$ 15-20 per kg (for exporting the wastes abroad) to US\$8,000 per tonnes of contaminated equipment. Recycling of clean materials will also bring additional gains.
- B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

| RISKS | Rating | RISK MITIGATION MEASURES |
|--|--------|---|
| Technical staff, participating in the project implementation as well as the population located close to project sites will be excessively exposed to POPs harmful influence. | L | The technical staff will be trained in proper handling of PCBs-containing equipment and wastes and Personal Protective Equipment (PPE) will be provided to them. All activities involving operations in contaminated areas, or handling of PCBs contaminated equipment will be performed only by people trained on the risk coming from exposure to PCBs properly equipped with these PPE. The project site will be protected by security measures preventing admittance of non-staff. The sites will be marked by billboards visible from a distance. |
| There is a danger that some wastes could be illegally disposed of at unauthorised places, thus increasing the pollution of the environment and creating new “hot spot”. | M | The in-depth inventory will record volumes, weights and other conditions of PCB-contaminated equipment and wastes, therefore the PCB owners will be requested to provide evidences of the safe disposal of their PCB-contaminated equipment |
| Risk of selecting a non-appropriate technology / option for PCB management and disposal | L | Proper assessment of BAT/BEPs for PCB management will be done taking into consideration the local conditions as well as the experience of UNIDO and other agencies in implementing similar projects. The detail presentations of the most appropriate BAT / BEP will be done for local specialists at the stage of the technology selection. |
| Climate change-related risk | no | No climate change-related risk. The transformer oils will not be incinerated but dehalogenated. Thus, formation of greenhouse gases will be avoided. |

- B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

32. The **Ministry of Natural Resources and Environment of Lao** (MONRE) will be the lead ministry/executing agency in the country responsible for preparing the policy initiatives for updating the PCB-related legislation and its submission to the higher authorities for approval. the Ministry will prepare the guidelines and administrative procedures for PCB management, participate in compiling the inventory results that will serve as a basis for planning and monitoring of the PCB disposal actions by PCB owners.
33. Other stakeholders involved were the **Ministry of Energy** for drafting the regulation related to electric standards and technical guidelines for management of PCB contaminated electrical equipment; **Ministry of Health** responsible for health saving measures; **National Cleaner Production Centre** (NCPC) for identification of local expertise and most efficient options for different project activities like inventory and labeling, awareness raising campaigns, and contribute to sustainability for the PCB disposal measures through distribution of PCB management experience to small PCB owners; **EDL**, the base organization and major owner of electrical equipment and **NGOs** for promotion and awareness raising campaigns in particular among communities located close to PCB-contaminated wastes.

34. The **Implementing Agency (IA)** for the project will be UNIDO, which will closely cooperate with the MONRE and the National Executing Agency (NEA) and will be responsible for overseeing project budgets and expenditures, recruitment and contracting consultants, procurement of equipment and project evaluation as well as organizing independent audits to ensure the proper use of GEF/UNIDO funds. Financial transactions, auditing and reporting will be carried out in compliance with national regulations and UNIDO procedures.
35. The **National Executing Agency (NEA)** will be designated to deliver specific inputs (services, expertise and procurement of equipment) to the project and produce specific outputs through an agreement between the NEA and IA. NEA will be responsible for monitoring the implementation of the activities to be financed by local donors. NEA will be accountable to the IA for the proper use of funds provided to it and for the quality, timeliness and effectiveness of the services it provides and the activities it carries out related to the project. NEA will be responsible for the day-to-day project implementation and the timely and verifiable attainment of project objectives. Environment Research Institute (ERI) of the MONRE will be designated as the National Executing Agency (NEA) for the project. After successful implementation of the project, the Government of Lao PDR will nominate an authority to take over the activities. Therefore, the project aims to build capacity in ERI/MONRE (POPs Unit) and other main actors at the local level to enable them to progressively broaden their activities. The NEA will establish a project office. NEA in consultation with UNIDO will nominate a National Project Manager (NPM) on a full-time basis, who will report to the Project Steering Committee (PSC), the NEA and the IA.
36. The **National POPs Steering Committee**, chaired by the Vice Minister of MONRE will serve as the **Project Steering Committee (PSC)** and decision making body of the proposed project. The PSC will hold its regular sessions throughout the implementation, but additional meetings could be held, if necessary. The PSC will oversee the project-related work of the National Project Manager (NPM) and the project team, review and approve the work plan. All decisions of the committee, such as respective responsibilities, timelines and the budget will be clearly communicated to those concerned. Activities will be implemented through sub-contracts. Submitted tenders, contracts and memorandums of understanding will be reviewed and evaluated by the PSC according to existing national procedures. Any major changes in the project plans or programmes will require approval from the PSC and UNIDO to take effect. PSC members will facilitate the implementation of project activities in their respective institutions, ensure that cooperative activities are implemented in a timely manner and facilitate the integration of project-inspired activities into existing programmes and practices. Representatives of the partners and co-funding organizations not represented in the PSC will be invited to attend the PSC meetings as needed. There is good coordination established among the Stockholm Convention, the Basel Convention and the Rotterdam Convention at the country level. This helps to ensure that there is no duplication in project activities/implementation and formulation of regulations, thus, enhances the synergy.
37. The **National Project Manager (NPM)** will ensure adherence to the work plan, which will be finalized during the first phase of project implementation. His/her main responsibilities will include advising on and monitoring of all technical aspects of the project implementation as well as the monitoring of the co-financing of the project by the counterpart. The NPM will work in close cooperation with the POP's focal point and the UNIDO project manager. The NPM will be responsible for the project monitoring, which includes preparing technical and financial reports to UNIDO and GEF, organizing meetings and appointments during field evaluations, and confirming the quality of the project's outputs.
38. Task teams will be established for certain activities. These task teams will consist of representatives of the stakeholders. The NPM will work closely with the task teams to coordinate project activities and make the link between project administration and implementation as seamless as possible. The UNIDO field office in Thailand will be involved in coordination and monitoring of the project implementation. Its assistance as a liaison between the Government, project team and PSC will expedite the activities of the project.

B.6. Outline the coordination with other related initiatives:

39. The project will seek coordination with the following ongoing national and regional related initiatives:
 - Regional project on "*Capacity Strengthening and Information Exchange on PCBs Management*". BCRC-Asia and Pacific is using QSP resources to execute the above where 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.
 - National Training Workshop performed by the WB on Health Risk Management of Persistent Organic Pollutants (POPs) in South East Asia in 2009.
 - Study on Power Network System Plan in Lao PDR with EDL conducted by JICA.
 - Special focus will be given to the coordination, experience and knowledge exchange with the two ongoing regional GEF/UNIDO projects where Lao PDR is currently involved namely: (1) Demonstration of BAT

- and BEP in fossil fuel-fired utilities and industrial boilers in response to the SC on POPs; and (2) Regional Plan for the introduction of BAT/BEP strategies to industrial source categories of SC Annex C of Article 5 in ESEA region.
40. The project will combine private sector initiative, Governmental objectives and the priorities of the NIP addressing POPs waste management. The NCPC will be an assisting partner of the project. It will be involved in training, inventory and technology implementation activities. The important role of NCPC will be in the promoting the awareness and sensitization activities among local population and other (outside EDL) owners of PCB-contaminated equipment.

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


41. UNIDO's comparative advantage lies in its close relationship with the industries. These linkages will be utilized specifically in screening and selecting the most appropriate technology for the disposal operations and for improving the environmental and economic performance of the disposal facility. The project involves trainings connected to the technology transfer activities in which UNIDO has significant expertise.
42. UNIDO has been very active in implementing GEF projects under its POPs focal areas. In particular, UNIDO has accumulated extensive experiences in environmentally sound management and disposal of PCBs in the Asian region including India, Mongolia, Nepal and the Philippines. UNIDO has established the Regional BAT/BEP Forum in the East and South East Asia (ESEA) and implementing several projects on BAT/BEP. The above activities permitted UNIDO to accumulate and analyze the advanced world experience in PCB management/decontamination/disposal technologies and their applicability for different conditions. This experience will be used in the proposed project thus increasing its economic and environmental efficiency.
- C.1 Indicate the co-financing amount the GEF agency is bringing to the project:
43. UNIDO will provide US\$ 13,300 cash and US\$ 86,700 in-kind for project management and monitoring support to the proposed project.
- C.2 How does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:
44. UNIDO currently supports capacity building and technical transfer in the area of (i) Energy & Environment, (ii) Trade, and (iii) Poverty Reduction. The proposed project matches UNIDO's thematic program areas and the implementation will be well supported by dedicated staff from UNIDO Headquarters and local offices.
45. Since 1994, UNIDO has implemented 30 projects in Laos related to environment and industry including the establishment of the National Cleaner Production Centre (NCPC) in 2003, accumulating human capacities and technical experience that will be used by future projects mostly for its technical components. The proposed project fits into the core programme in the country, addressing toward the development of more sustainable industry with reduced environmental impacts.
46. The NCPC, who will be a partner in the project implementation, will create its own human capacity to assist other potential PCB owners in the country through consultancy and fund raising services to develop and implement PCB disposal activities.
47. In addition, the UNIDO regional field office in Thailand will be involved in coordination and monitoring of the project implementation. Its assistance as liaison between the Government, project team and the PSC will expedite the activities of the proposed project.

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

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

| NAME | POSITION | MINISTRY | DATE (MM/dd/yyyy) |
|-------------------------------|--|---|-------------------|
| Mr. Khampadith Khammounheuang | GEF Operational Focal Point, Deputy Director of Environment Department | MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT | 07/26/2011 |
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C. GEF AGENCY(IES) CERTIFICATION

| Agency Coordinator, Agency name | Signature | Date (MM/DD/YYYY) | Project Contact Person | Telephone | Email Address |
|--|---|----------------------|---------------------------|---------------------|---|
| Mr. Dimitri Piskounov, Managing Director Programme Development and Technical Cooperation Division |  | December 12, 2011 | Mr. Mohamed Eisa | +43-1- 260264261 | m.eisa@unido.org for 22/11/11 |