



# PROJECT IDENTIFICATION FORM (PIF)

**PROJECT TYPE: Medium-sized Project**  
**THE GEF TRUST FUND**

**Submission Date:** 31 August 2007

**Re-submission Date:**

## PART I: PROJECT IDENTIFICATION

**GEFSEC PROJECT ID<sup>1</sup>:**

**GEF AGENCY PROJECT ID:** 3563

**COUNTRY(IES):** Uruguay

**PROJECT TITLE:** Development of the National Capacities for the Environmental Sound Management of PCBs in Uruguay.

**GEF AGENCY(IES):** UNDP,

**OTHER EXECUTING PARTNERS:** MVOTMA - DINAMA

**GEF FOCAL AREAS:** Persistent Organic Pollutants,

**GEF-4 STRATEGIC PROGRAM(S):** POPs SP-1, SP-2, SP-3

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	
CEO Endorsement/Approval	
GEF Agency Approval	
Implementation Start	Dec. 2007
Mid-term Review	Dec. 2008
Implementation Completion	Dec. 2009

### A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective: To reduce and eliminate the threats to human health and the environment posed by PCBs in Uruguay. It also aims to strengthen the country's national capacities to manage the PCBs in an environmentally sound manner, and integrate PCB issues in ongoing efforts through a National Plan for PCB Management.									
PROJECT COMPONENTS	Indicate whether Investment, TA, or STA**	EXPECTED OUTCOMES	EXPECTED OUTPUTS	INDICATIVE GEF FINANCING*		INDICATIVE Co-FINANCING*		TOTAL (\$)	
				(\$)	%	(\$)	%		
1. Project set up and monitoring (including awareness rising)	TA	Increased national capacity to manage PCB in an efficient and environmental sound manner	<ol style="list-style-type: none"> <li>Establishment of PSC, definition of responsibilities, work plan and awareness raising strategy.</li> <li>Governmental strategy for phasing out PCB is published</li> <li>Demonstration projects are selected</li> <li>Regular Steering Committee Meetings</li> </ol>	108,250	64	60,500	36	<b>168,750</b>	
2. Institutional and regulatory strengthening, capacity building and development Environmental Sound Management System for PCBs for the Authorities and PCB holders	TA STA	Capacity building and strengthening of the PCB management in the public sector and PCB holders for evaluation control and disposal of PCBs.  General awareness of PCB at all levels, including knowledge of management, handling and servicing of equipment	<ol style="list-style-type: none"> <li>Guidelines for maintenance and safety measures for PCB devices are published.</li> <li>Guidelines for handling, sampling of PCB containing equipment.</li> <li>Safety measures for 5 to 15 KVA transformers are defined.</li> <li>Collection and labeling guidelines are published.</li> <li>Strategic approach to PCB-contaminated sites is defined.</li> <li>National PCB-inventory data base is in place.</li> <li>Analytical capacity for PCB identification is upgraded.</li> <li>National disposal alternatives for oils between 50 and 2000 ppm PCB, are evaluated.</li> <li>Legislation meets international standards</li> </ol>	207,200	38	334,450	62	<b>541,650</b>	
3. PCBs management with the demonstration projects and practical implementation of the ESM system	TA STA I	The successful completion of this activity will ensure practical experience, trained national human resources to face PCB management soundly.	<ol style="list-style-type: none"> <li>National inventory is updated</li> <li>Involved personnel is properly trained</li> <li>PCB containing equipment, waste and sites are identified.</li> <li>Time table for phasing out is published.</li> <li>Interim storages for PCB are installed and monitored according to international practices</li> <li>PCB from demonstration projects is disposed of in an environmental sound manner</li> <li>Personnel is trained for site remediation projects</li> </ol>	566,700	50	562,000	50	<b>1,128,700</b>	

<sup>1</sup> Project ID number will be assigned initially by GEFSEC.

4. National Plan for PCB Management	TA	A National Plan for PCB Management sets the milestones to comply with the obligations under the SC.	1. Country-wide inventory estimation will be achieved 2. Based on the experience gained in previous Project activities a National Plan for PCB Management is drafted.	4,500	36	8,000	64	<b>12,500</b>
5. Project Closure and Diffusion			1. National Plan and Project results are presented in a final workshop.	1,500	16	8,000	84	<b>9,500</b>
6. Project Management				66,400	52	62,400	48	<b>128,800</b>
Taxes and Fees						63,500		<b>63,500</b>
<b>Total project costs</b>				<b>954,550</b>		<b>1,098,850</b>		<b>2,053,400</b>

\* List the dollar amount by project components. The percentage is the share of GEF/co-financing amount to the total amount for the component.

\*\* TA = Technical Assistance; STA = Scientific & technical analysis.

#### A. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	PROJECT PREPARATION	PROJECT	AGENCY FEE (10%)	TOTAL
GEF	45,000	954,550	99,955	1,099,505
Co-financing	5,000	1,098,850		1,103,850
<b>Total</b>	<b>50,000</b>	<b>2,053,400</b>	<b>99,955</b>	<b>2,203,355</b>

\* Please include the previously approved PDFs and planned request for the new PPG, if any. Indicate the amount already approved as footnote here and if the GEF funding is from GEF-3.

#### B. INDICATIVE CO-FINANCING FOR THE PROJECT (including project preparation amount) BY SOURCE and BY NAME (in parenthesis) IF AVAILABLE, (\$)

CO-FINANCING SOURCE	CASH	IN-KIND	TOTAL
Project Government Contribution (DINAMA*)	220,000	272,350	492,350
GEF Agency(ies) (UNDP)		19,500	19,500
Bilateral Aid Agency(ies)			
Multilateral Agency(ies) (Coordination Centre for Latin America and the Caribbean for the Basel Convention)		10,000	10,000
Private Sector			
NGO			
Others (UTE**)	200,000	377,000	577,000
<b>Total co-financing</b>	<b>420,000</b>	<b>678,850</b>	<b>1,098,850</b>

\* DINAMA: National Directorate for Environment, Ministry of Housing, Land Use and Environment

\*\* UTE: Electrical Power Utility

#### D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY (IES) SHARE AND COUNTRY(IES)\*

Not applicable.

### PART II: PROJECT JUSTIFICATION

#### A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

The National Administration through the Ministry of Housing, Use of the Land and the Environment, (MVOTMA) is exclusively responsible for the coordination of integrated environmental management by the State and public entities in general and it carries forth its environmental purposes through the National Directorate for the Environment (DINAMA) as its specialized executing branch. Therefore the Ministry commits DINAMA to be the executing agency for the Project.

The NIP studies show that Uruguay has limited experience on the practical management of PCBs. The country lacks the necessary infrastructure to manage PCBs and PCB containing equipment in an environmentally sound manner. Only UTE, (the public utility for electricity generation, transmission and distribution), is partly aware of the problem and started some testing but their capacities are limited due to the manpower and analytical resources needed. Since transformers manufactured with PCB are most easily identifiable using the plates,

“pure” PCB would not be a big problem in UTE compared to cross contaminated. Considering the maintenance practices before the implementation of UTE’s Environmental Management System, there would be an important number of cross contaminated equipment. UTE holds around 22,254 transformers, which are have not been assessed in search of PCB. A trade mark analysis shows that at least 1,343 out of them would be PCB transformers, the number of cross contaminated trafos is still unknown. According to the Project’s last estimations, there would be around 1,400 tones of contaminated transformers property a hundred companies apart from UTE, that were constructed before 1979 (US prohibition) and 1985 (European prohibition). It is estimated that the majority of “pure” PCB will be in the private industry. Due to lack of institutional pressure the private industry was very reluctant with reporting. This will change with the project.

There are no specialized PCB treatment disposal facilities in the country. In this regard, there is a well-recognized need to increase awareness and to train government officials and specialists from industries on the criteria for environmentally sound management, including final disposal, of POPs as waste in the context of the Stockholm and Basel Conventions.

The project will consolidate ongoing and baseline activities of the government in implementing its obligations for PCB management elimination. The Uruguayan Government through its National Directorate for Environment is working in cooperation with ministries and stakeholders to let the country comply with the timetable mandated by the Stockholm Convention. To this end a PCB specific legal framework is being developed to enforce it. Additionally a Monitoring Plan for UTE’s equipment is being worked out. To support this activities a set of guidelines is being developed for the identification PCB equipment. The funding will be used for strengthening the legal coverage and management guidelines, demonstrate implementation of locally viable and environmentally sound PCB control measures and their incorporation into national policy framework. Ultimately, this will facilitate sustainable reduction of PCBs in Uruguay through subsequent scaling up of demonstration activities for equipment identification, collection and disposal, so that more efficient and cost-effective approach for PCB management will be available for PCB owners in the country. The project foresees demonstrative disposal activities regarding PCB-containing transformers for about 125 tons (4 USD/kg), this will comprise equipment from UTE and from other holders. The prices for final disposal are based on today’s market prices in Europe. The trafos in the worst conditions will be prioritized to be included for disposal.

The Project seeks to find national treatment or disposal alternatives for the "low" PCB equipment. An upper limit of 2,000 was set with indicative character to limit the range. Additionally it is expected that over 90 % of the cross contaminated oil transformers are within this range. Thus this activity will cover the majority of the PCB problem with transformers. An assessment considering equipment substitution and disposal (export) costs versus alternative treatment costs will help to establish the concentration upper limit in which the treatment is economically feasible. Different technological alternatives will be considered e.g. sodium technology. Pure PCB incineration will not be taken into account.

Laws and guidelines will be in place. A National Plan for PCB Management will be compiled based on the experiences gained during Project activities. This will provide a replicable model of cooperation between government, public and private entities in addressing global environmental challenges, in particularly those related to hazardous waste management. The experience and lessons learnt through the implementation of this project will be available to regional countries. This will be achieved with the assistance of the Coordination Centre for Latin America and the Caribbean for the Basel Convention.

The project will contribute significantly to reduce the exposure of humans and releases to the environment assuring that the country has the experience and knowledge for the safe and environmentally sound management and disposal of stocks of oil and equipment.

## **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:**

The National Implementation Plan (NIP) for the Stockholm Convention for Uruguay identified the PCB issues as a first project for realization as one of the top priorities requiring immediate attention and action. Excluding unintentionally generated POPs, PCBs are the only substances included in the Stockholm Convention which are used in the country, and whose entry into the country and trade has never been regulated. Regarding specifically the PCB issue the NIP identifies as starting Project for the NIP implementation phase (chapter 6, page 130 of the NIP).

The Uruguayan Government gave *national-interest* status to the implementation and execution of the National Implementation Plan (NIP) in Decree 375/006, and set the National Directorate for Environment as focal point and national coordination centre for the implementation of the Stockholm Convention and its NIP. Thus it commits the organisms of the Executive Power and other state and private entities to implement it.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:**

The project outcomes and activities contribute towards the GEF **Strategic Objective 1** (*Strengthening capacities for NIP development and Implementation*) indicators, by means of the creation of a legislative and regulatory framework for the management of PCBs. Furthermore the project will lead to a strengthened and sustainable administrative and enforcement capacity for PCB management.

By means of *Outcome 3 (PCB management with the demonstration projects and practical implementation of the ESM system)* the project will contribute to **Strategic Objective 2** (*Partnering in investments for NIP implementation*), phasing PCBs out from use and disposal of them in an environmentally sound manner.

Thanks to the introduction of PCB guidelines, demonstrative projects including equipment identification activities as well as phasing out of PCB, the project will contribute to GEF **Strategic Objective 3** (*Generation and dissemination of knowledge to address future challenges in implementing the Stockholm Convention*) demonstrating that practices are appropriate within a particular context also promoting its countrywide replication as foreseen in Project Outcome 3 and 4.

**D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

There is no comparable project for PCB in the country. Liaison with the Basel Convention's Coordinating Centre for Training and Technology Transfer for Latin America and the Caribbean region (BCCC-Uruguay), based in Montevideo, will encourage regional cooperation through dissemination of the lessons and experiences gained during project execution. Guidelines from the Basel Convention, Stockholm Convention, and other UN organizations related to chemicals will be a starting point for the development of the project.

The development of a national regulatory framework, involving safe handling and disposal of PCBs, will serve to strengthen foundational capacities for chemicals management within the country and provide a valuable means by which to link the PCB work to the broader national chemicals management agenda. This, in turn, will serve to support the GEF's strategic aim to promote the sound management of chemicals, as well as the objectives of the Strategic Approach to International Chemicals Management (SAICM), adopted in February 2006. SAICM supports the achievement of the WSSD Johannesburg Plan of Implementation goal that seeks to ensure that, by the year 2020, chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health.

From a broader chemicals management perspective, cooperation with the BCCC-Uruguay will also allow the project under consideration to benefit from lessons learned during implementation of past activities implemented in support of the Stockholm Convention namely, the "Training Program for Municipal Officers in Environmentally Sound Management of Hazardous Wastes" (2003-2005), and two projects that targeted the environmentally sound management and capacity for destruction of obsolete pesticides in Latin America and Caribbean Countries (2004-2005).

**E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING:**

Even if UTE is committed with the PCB issue their performance is subject to the budget availability. Thus there is a discontinuous approach that makes difficult to assure that the timetable set out by the Stockholm Convention can be achieved. During the Project an initial assessment of equipment will be done with the GEF support. This will allow their immediate phase out and disposal or alternatively the programming of their phase out and the corresponding funds allocation. Besides, UTE's experience with PCB management will be evaluated in light of national regulations. The activities regarding PCB-equipment outside UTE are scarce, therefore the impact of the Project in this sector will be high. To this end it is foreseen that the projects partly supports the disposal of equipment from this sector. Furthermore the Project will promote the achievement of better technical practices, and standards by means of guidelines allowing human and environmental risk reduction.

Without the Project intervention transformers would be handled and repaired or scrapped in an inadequate manner with the associated humans exposure at work. Equipment out of service, aged and corroded would

sooner or later leak oil with PCB and contamination will rinse to the unprotected soil and finally end up in the underground water and even in rivers. Missing testing of oil for PCB will result in increasing numbers of cross-contaminated transformers during maintenance. Lack in equipment identification will lead to an increase in dioxins and furans emissions when end up in melting pots in scrap dealers facilities. Finally the change of management and maintenance practices would take years to get lifted to international standards.

Through the GEF supported project, changes will then be speed up and will implement international standards at the beginning. This project will update the efforts of UTE and other transformers repair shops and enlarge the analytical capacity. PCB owners will be encouraged to participate during the project and will learn proper practices with the management and disposal of PCB. The continuity of the actions started by this project is assured after the project closure by means of an agreed national plan. Such an action plan adapted to national reality will be a tool to comply with the obligations derived from the Stockholm Convention also reducing human and environmental exposure due to adequate equipment and waste management.

Finally the experience at the national level gained in the field of PCB management during this Project will serve as a basis for the improvement of the management of other hazardous wastes and chemicals.

**F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN:**

<b>RISK</b>	<b>RISK MITIGATION MEASURE</b>
Low participation on the project by the private sector	Announcement of laws and regulations Proper identification of potential owners of PCB Awareness activities addressed to PCB holders Regular contact with PCB holders through letters, information and follow up.
The quality of ESM system concepts will not be sufficient	International PCB expert will collaborate closely and review any draft concept
Lack of interest at the governmental level to develop legislations.	High level decision makers in the steering committee to increase commitment of the government. Awareness and information activities for decision-makers to be done during preparatory phase and periodically through project implementation.

**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

The project will enable the development of a country wide PCB management system based on the national reality regarding PCBs and a strategic planning of the actions, thus rendering a cost effective elimination of stocks. The project execution will follow GEF guidelines. Any kind of external services, such as transportation, disposal loading, packaging etc. will be tendered. The international expert will assist with it. Proper tenders will cause low level prices.

**H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:**

UNDP is mandated to strengthen countries' development capacities, supporting the enhancement of conditions regarding development processes. Over the last decades the agency has consolidated a significant experience and a strong country-based supportive structure with a demonstrated expertise and technical capacity in the thematic area of Energy and Environment, among others. Specifically in Uruguay UNDP has proven its capacity to formulate projects in the environmental and social fields and implement them with a wide number of national counterparts, involving constant work with the National and municipal governments, the private sector and the civil society in the country. UNDP is also working with a wide array of bilateral and multilateral donors such as the GEF, aiming to strengthen capacities of the country that are directly related to this MSP. One of the twelve products of the UNDP Country Programme Document (2007-2010) is to "Increase the capacities of National and departmental governments for the management and reduction of pollutants, residues and substances affecting the ozone layer". In particular, UNDP is the main partner in supporting the MVOTMA to comply with the international environmental conventions, having recently provided administrative and substantial support to the implementation of the NIP and other activities associated to the Stockholm Convention. UNDP presently executes a project to strengthen the capacities of the MVOTMA, and is working with the MVOTMA in the elaboration of a project to strengthen the capacities of the DINAMA, including compliance of the Basel convention and an information system for the management of pollutants.

**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 [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).



Roberto Elissalde  
GEF Operacional Focal Point  
Ministry of Housing, Land Use and Environment

Date: *August 29, 2007*

*(Enter Name, Position, Ministry)*

Date: *(Month, day, year)*

**I. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

*Name & Signature*  
GEF Agency Coordinator  
Date: *(Month, Day, Year)*

Project Contact Person  
Tel. and Email:

*Name & Signature*  
GEF Agency Coordinator  
Date: *(Month, Day, Year)*

Project Contact Person  
Tel. and Email: