



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

GEF ID:	4385		
Country/Region:	Macedonia		
Project Title:	Removal of Technical and Economic Barriers to Initiating the Clean-up Activities for Alpha-HCH, Beta-HCH and Lindane Contaminated Sites at OHIS		
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;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$3,100,000
Co-financing:	\$12,450,000	Total Project Cost:	\$15,650,000
PIF Approval:	April 24, 2013	Council Approval/Expected:	June 20, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Anil Sookdeo	Agency Contact Person:	Fukuya IINO

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. Macedonia has ratified the Stockholm Convention in 2004 and submitted their NIP in 2005.	Yes
	2. Has the operational focal point endorsed the project?	Yes	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes. UNIDO has worked on other projects concerning other POPs chemicals. This project will be the first to deal with 3 of the 9 new POPs, however the work on the other chemicals will have provided UNIDO with the capacity to undertake this project.	Yes

*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.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	N/A	N/A
	5. Does the project fit into the Agency's program and staff capacity in the country?	Yes. UNIDO has a country office in Macedonia through which it can provide the on the ground support to the project and project teams.	Yes
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	N/A	
	• the focal area allocation?	N/A	
	• the LDCF under the principle of equitable access	N/A	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
	• Nagoya Protocol Investment Fund		
Project Consistency	• focal area set-aside?	N/A	
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Yes the Project is aligned with CHEM 1. Additionally there are elements that the agency may consider to incorporate into the proposal that would also be relevant to CHEM 3.	Yes, the project is consistent with CHEM 1
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	Same Comment as 8 above.	Yes
	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. In the NIP of Macedonia, which was completed prior to the amendment to the Stockholm Convention, the sites contaminated with alpa and beta HCH and lindane were identified as a priority area.	Yes
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	The First Project Outcome described in the PIF, indicates that it will seek to enhance the institutional capacity and knowledge for detailed assessments of	Yes

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>continuated sites, which will hopefully extend the capacity for other POPS and Harmful and Hazardous Chemicals.</p> <p>We however need to clarify with UNIDO how this is proposed to be done and what will legislation being proposed cover.</p> <p>April 3, 2013 - the comments have been addressed.</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>Yes. There is a clear indication of the problem, the causative factors and the scope of the problem to be addressed by the project. The data to support estimated amounts of contamination is not complete and this will be addressed in the PPG stage.</p> <p>It may be useful also if the Agency use the pilot demonstration to help define the costs of handling these New POPs.</p>	Yes
	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?		Yes
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>No. Section B.2 clearly says that without the support of the GEF the sites will go untreated, therefore the GEF grant would not be incremental.</p> <p>UNIDO needs to clarify this.</p> <p>April 3, 2013 - Comment addressed</p>	Yes
	14. Is the project framework sound and sufficiently clear?	Yes. The project is well defined and logical.	Yes

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	The Global Benefits for reducing POPs in the Environment is well described, however UNIDO should clarify how the project will contribute to the objects of the BASEL Convention. April 3, 2013 - Comment cleared	Yes
	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?	N/A	Yes
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	No. There is only statements of what would be considered rather than how the considerations will be delivered by the Project. UNIDO should define what the socio-economic benefits are and how the project will deliver them. April 3, 2013 - Comment addressed.	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)	No Climate risks are identified such as potential for flooding etc. This and other environmental risks should also be evaluated. April 3, 2013 - Comment cleared.	Yes
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	The Project will be coordinated with other UNIDO projects both in the ECA region and other regions and it will be an opportunity to extend the current toolkits for dealing with contaminated sites to these new Chemicals. It is unclear however how the project will be coordinated with the Basel Convention for Example as indicated in	Yes

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>paragraph 20, and how the project will contribute to the control of Mercury as indicated in paragraph 21.</p> <p>UNIDO needs to clarify how the project will be coordinated with the BASEL Convention and what efforts will be made for handling Mercury.</p> <p>April 3, 2013 - while some effort has been made to answer this questions, the issues related to contaminated sites are complicated and there can be multiple chemicals on the site. The presence of mercury can complicate the choice of technology for remediation for example. Some efforts must me made during the PPG phase to understand the entire nature of the contamination rather than focussing only on HCH and lindane before determining the appropriate technology.</p> <p>April 10 - The query on the technology choice has not been addressed sufficiently. The PIF already identifies thermal desorption but then says later on that at the PPG stage the treatment methods will be evaluated. This does not give a clear idea of what of the proposed way forward on the technology choice.</p> <p>April 11, 2013 - Comment Cleared</p>	
	20. Is the project implementation/ execution arrangement adequate?	Yes	Yes

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		Yes, some minor adjustments were made on the amounts of material that would need to be dealt with.
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		No
Project Financing	23. Is funding level for project management cost appropriate?	<p>Yes it is 6.8% and the ratio is above the co-financing ratio of the overall project. It should be noted that the overall co-financing needs to be increased and the Project management co-financing will also need to be increased to match the overall co-financing ratio.</p> <p>April, 3,2013 - Since the time of the first submission of this PIF in 2010, the policy of PMC has changed and agencies were informed that the rule applied to all PIFs not yet cleared at the time the policy came into effect even if they were submitted prior to the rule. In this regard, please adjust the PMC.</p> <p>April 10 - Comment addressed.</p>	Yes
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>No. In paragraph 9, it clearly states that without GEF funding the site would remain untreated, so that the GEF project would not be incremental.</p> <p>April 3, 2013 - There have been significant efforts made by the Government of Mongolia to allocate resources from the budget. We would like to have additional information on the fate of the remediated site since the cleaned space would be an economic</p>	Yes

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>incentive to have additional co-financing partners to afford complete clean up of the site.</p> <p>April 10, 2013 - The response to the comment raises additional concerns. If the remediated sites it will be sold after it is cleaned up then there is a clear benefit to the current owner since the GEF and the Government will invest in the clean up and then the new owner would benefit at our cost unless an arrangement is made that some of the clean up costs is borne by the new owner.</p> <p>April 11, 2013 - Comment cleared</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>The Level of Co-financing needs to be increased to at least 1:4.</p> <p>April 3, 2013 - Comment addressed - The Government has allocated resources from their budget to finance the baseline project.</p>	<p>Co-financing is confirmed</p>
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>The rate of co-financing needs to be increased. Co-financing should be comparable to the other GEF Focal Areas.</p> <p>April 3, 2013 - Comment addressed</p>	<p>Yes</p>
Project Monitoring and Evaluation	<p>27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?</p>		<p>Yes</p>
Agency Responses	<p>29. Has the Agency responded</p>		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	adequately to comments from:		
	• STAP?	None Received	
	• Convention Secretariat?	None Received	
	• Council comments?		
	• Other GEF Agencies?	None Received	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>The project was submitted too late to be considered for the November 2010 Council meeting. Nevertheless, the PIF, whilst interesting, raises a number of broad concerns as described below. This first review therefore only looks at the major aspects of the PIF rather than addressing detailed points.</p> <p>Overall, the greatest concern is not with the specifics of the concept, but rather with the need to be strategic and coordinated in building the GEF-5 POPs portfolio. Due to the overall level of funding available and priorities that remain to address the original 12 POPs, the GEF-5 strategy for chemicals envisages only limited effort towards new POPs reduction. This implies that before the GEF starts funding concepts addressing new POPs, there should be a thoughtful discussion process taking place in the context of the POPs task force and in bilateral discussion between GEFSEC and the Agencies to delineate a program that tackles priority new POPs issues in the most strategic way, not in an ad hoc manner.</p> <p>In the course of this discussion, it is most likely that HCH waste will be</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>prominent, and it is very possible that this present concept in Macedonia would indeed be chosen as one of the GEF-5 pilots.</p> <p>Nevertheless, this concept would have to be much improved. Specifically, the PIF allocates over 40% of GEF funding - \$2m â€" to "soft" activities that either appear too costly, or not indispensable to address the problem, or duplicative of efforts or existing material. For example with component 1 on "enhancing policy and legal framework" (GEF \$0.5m) â€" what is there to "enhance" when these are legacy stocks of waste? Why the need to develop "generic guidelines for risk assessment"? In any event, components 2 and 3 largely appear to overlap. In short, should this concept go forward, our recommendation would be for a much reduced component 1 â€" with no or limited GEF input, and merging components 2 and 3 and limiting the outputs to those leading to the requisite site assessment and characterization effort. Finally, the co-financing level is below GEF expectations.</p> <p>Additional improvements need to be made to the project before it can be recommended. This revision is more technically sound than the original PIF, but co-financing, legislation, mercury and alignment to other conventions need to be addressed by the agency.</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>April 3, 2013 - Overall the quality of the submission has improved and it is noteworthy that the Government of Mongolia has allocated budgetary resources to support the overall achievement of the project. We still have a question regarding the mercury on the site and the impact it would have to achieving a clean site. We also have a question on waht thought has been given to complete characterisation of the site since seeking a technology only for lindane and HCH clean up would not make sense. All toxics should be cleaned up. Concentration and storage of the waste in a salt mine also does not seem the optimum way to handle the waste. It is preferable to have the waste completly dealt with.</p> <p>The decision to recommend the project is still pending on the clarification of the questions raised in this review.</p> <p>April 10, 2013 - Pending further clarification.</p> <p>April 11, 2013 - Based on the further clarifications provided this project is technically clear and can be included in an upcoming work program.</p>	
	31. Items to consider at CEO endorsement/approval.	1. Technolgy choice needs to be clear and properly justified. When choosing a technology the agency and country are urged to use methods that will either completely destroy/treat the harardous materail(s) or render them inert. It will not be acceptable to concentrate the	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>hazardous material(s) and store them.</p> <p>2. The payment for the complete clean up needs to be included in any transfer of land tenure made on the site. These arrangements need to be explicitly described at the CEO endorsement stage.</p> <p>3. Costs incurred at each step of the clean up operations should be included and in these costs need to be reported in the PIR's.</p>	
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
	33. Is CEO endorsement/approval being recommended?		Yes
Review Date (s)	First review*	September 29, 2010	December 11, 2014
	Additional review (as necessary)	February 02, 2011	
	Additional review (as necessary)	April 02, 2013	
	Additional review (as necessary)	April 10, 2013	
	Additional review (as necessary)	April 11, 2013	

* **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?	A separate PPG template was not provided. The agency re-submitted the PIF in the new format and the amount requested for the PPG is within the range for this project.
	2. Is itemized budget justified?	
Secretariat	3. Is PPG approval being	

Recommendation	recommended?	
	4. Other comments	
Review Date (s)	First review*	
	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.