



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

GEF ID:	4386		
Country/Region:	Ukraine		
Project Title:	Environmentally Sound Management and Final Disposal of Polychlorinated Biphenyls (PCBs)		
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:	\$0	Project Grant:	\$5,250,000
Co-financing:	\$21,000,000	Total Project Cost:	\$26,250,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Anil Sookdeo	Agency Contact Person:	Mr. Mohamed Eisa

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	
	2. Has the operational focal point endorsed the project?	The New OFP for Ukraine has indicated that all new projects not signed by him should not be reviewed. In this regard, UNIDO is requested to provide a new endorsement letter from the current OFP. May 3, 2011 - The New OFP has endorsed the project.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes. UNIDO has conducted PCB management projects in the past.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	no	

*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?	<p>The staff capacity in the country is not clearly described. Please clarify.</p> <p>ES, October 21, 2011: Limited staff is available in the country formed during the Enabling Activity phase.</p> <p>26/1/12 - comment cleared</p>	
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?		
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• Nagoya Protocol Investment Fund		
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Yes	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	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	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	The project framework indicates that capacity will be developed for the ESM, but it is not clear from the project design how the components such as legislation, destruction, inventories etc will fit	

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		<p>together and who will take the responsibility/lead for the long term management of the ESM.</p> <p>ES, October 21, 2011: A general clarification is given stating that enforcement and monitoring activities will be transferred to relevant departments of the ministry and other environmental monitoring agencies.</p>	
Project Design	<p>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>	<p>a. There is no baseline project that has been identified. The section only has information related to the summary of issues identified in the NIP. Since there is no baseline project identified it is not possible to extrapolate the incremental cost of the project.</p> <p>b. Please describe a baseline project on which the current components will be incremental to.</p> <p>ES, October 21, 2011: Still no baseline project has been identified.</p> <p>Jan 23, 2012 - Both the response to the comment and the revision in the PIF does not provide an idea of the baseline project. It is clear that the some resources from the private sector will be provided as a result of the project. What will this cover? This should be the baseline funding of the baseline project. A revision of the baseline project needs to be done.</p> <p>ES, August 15, 2012: The baseline project has been improved. The government has budgeted destruction of</p>	

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		PCB waste, with export, the GEF portion will allow for local treatment of PCB waste making the project effective and sustainable. -Comment Cleared	
	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?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>Unable to access incrementally without a baseline project</p> <p>ES, October 21, 2011: Comment remains the same.</p> <p>ES, August 15, 2012: Yes, the activities funded use incremental reasoning, see comment 11. -Comment cleared</p>	
	14. Is the project framework sound and sufficiently clear?	<p>a. The design of the ESM is not clear from the project framework. There needs to be first an inventory and analysis of the current practices for managing maintenance of in-line equipment and treatment of equipment out of service. ES, October 21, 2011: Comment not addressed.</p> <p>b. Combine components 1 and 2 into the development and implementation of an ESM. Please keep the budget for training etc to below 200,000 as we expect most of these activities to be financed from the Government/industry. ES October 21, 2011: Components 1 and 2 were combined, but budget is over</p>	

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		<p>200,000.</p> <p>c. Component 4 is not clear. Reduction of annual releases implies that this applies to maintenance of in-line equipment, while from the outputs it appears to be a one off disposal activity. Please clarify. ES October 21, 2011: Since combining component 1 and 2 this is now component 3. Clarified this is for operations and maintenance and disposal.</p> <p>d. Please incorporate component 5 into the ESM component. ES, October 21, 2011: This component has been dropped rather than incorporated into the ESM component.</p> <p>No. Component 3 in particular is not clear in exactly what will be achieved. It appears that this will be a demonstration of the technologies before they are used to treat the 3000 tonnes or material, however the total cost of this component needs to be broken down to allow for a clearer understanding of the costs.</p> <p>ES, October 21, 2011: Now component 2. Comment has not been addressed.</p> <p>26/1/12 - Comments addressed</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>The removal of 3000 tonnes of PCB containing and contaminated equipment and oil will result in achievement of global environmental benefits of</p>	

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		removing PCBs.	
	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?	This section is marginally satisfactory. If the project goes forward we will expect some more thought is put into this section and real links are made to the project and the communities it will impact.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	Same comment as 18 ES, October 21, 2011: Correction: same comment as 16.	
	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)	Yes	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes	
	20. Is the project implementation/ execution arrangement adequate?	Yes	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
	23. Is funding level for project management cost appropriate?	The level is appropriate but the PMC should be co-financed at the same ratio as the overall project. Please address	

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Project Financing		ES, August 15, 2012: The PMC is appropriate with a 1:4 co-finance ratio. - Comment cleared	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	Cannot access without the baseline project ES, October 21, 2011: Comment remains the same. ES, August 15, 2012: Yes the funding is appropriate. -Comment cleared	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The cofinancing for a country as large as Ukraine is low and should be increased. ES, October 21, 2011: Cofinancing increased to 1:4. ES, August 15, 2012: Co-financing is 1:4. -Comment cleared	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	UNIDO is proposing to contribute 50,000 of inkind financing mainly in the form of training. This should be increased given the proposed sized of the project. ES, October 21, 2011: Comment remains the same. ES, August 15, 2012: UNISO is providing \$50,000 in-kind and \$50,000 cash. -Comment cleared	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		

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Agency Responses	29. Has the Agency responded adequately to comments from:		
	<ul style="list-style-type: none"> • STAP? 	None Received	
	<ul style="list-style-type: none"> • Convention Secretariat? 	None Received	
	<ul style="list-style-type: none"> • 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. The concept in general follows a fairly traditional approach for UNIDO-led PCB management projects. Nevertheless, the PIF raises a general concern related to non-combustion technologies which we would like to see UNIDO address before moving forward with this and other similar concepts. This first review therefore only looks at the major aspects of the PIF rather than addressing detailed points.</p> <p>Component 3 is about "Non-combustion technology selection and transfer". During GEF-3 and GEF-4, a number of projects supporting similar activities have been funded by the GEF through UNIDO, representing what was meant to be a pilot program. Before the GEF moves further in this direction, we would appreciate receiving from UNIDO a report on the status of projects approved and under preparation, and what progress has been made and lessons learned (including projects approved some time ago, and more recent ones such as Morocco or Peru). ES, October 21, 2011: A report was</p>	

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		<p>delivered however the analysis is weak. No significant lessons learned were presented.</p> <p>Regarding this PIF specifically, the document would benefit from a description of the activities to be undertaken under "project overview", including but not only a description of ownership of PCB waste, and how the disposal or decontamination operations would be managed and financed. In that respect, an estimate of the amount of PCB oil and PCB-contaminated oil targeted would be useful - the document only refers to PCB-containing equipment and waste. ES, October 21, 2011: Comment not addressed</p> <p>We also note that Ukraine has yet to submit its NIP to the Stockholm Convention. ES, October 21, 2011: NIP still not submitted.</p> <p>Finally, the description of UNIDO's comparative advantage is too generic, and does not describe how the project fits with the agency's program and capacity in the country.</p> <p>Feb 3, 2011 - The OFP of Ukraine, has indicated all projects under consideration for the Ukraine needs to have his signature on the endorsement letter. In this regard, UNIDO is requested to provide a new endorsement</p>	

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		<p>letter before further reviews are done. ES, October 21, 2011: New letter not submitted</p> <p>May 3, 2011 - The Project still is lacking in sufficient detail and the points raised in the original review have not been adequately addressed. We still need to understand the technology approaches being used in this project and there needs to be a more logical approach to building the ESM. The approach as is, looks fragmented and not well organized. ES, October 21, 2011: Comment remains the same.</p> <p>At the time of this review there is still no indication of a NIP from the Ukraine</p> <p>26/1/12 - The Baseline project among other comments need to be addressed. Please also note on page 7 of the last submission. Section B.3 Paragraph 1 seems to be missing part of the sentence.</p> <p>ES, August 15, 2012: All issues have been addressed. The PIF has been technically cleared for potential inclusion in an upcoming Work Program, subject to availability of resources in the GEF Trust Fund, as well as being considered a priority in light of considerations such as geographical and focal area balance. The inclusion of a PIF in a Work Program will be decided by the CEO. Technically cleared projects that have</p>	

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		not been selected for an upcoming Work Program may still be considered for subsequent ones.	
	31. Items to consider at CEO endorsement/approval.	1. Clear Description of the ESM 2. Clear Description of the Non-Combustion Technologies and how they will be transferred 3. Clear description of the Socio-economic and gender dimensions of the project.	
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?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	September 29, 2010	
	Additional review (as necessary)	February 03, 2011	
	Additional review (as necessary)	May 03, 2011	
	Additional review (as necessary)	October 21, 2011	
	Additional review (as necessary)	August 15, 2012	

* **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?	Not reviewed
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	

	Additional review (as necessary)	
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