REQUEST FOR CEO APPROVAL

PROJECT TYPE: Medium-sized Project
TYPE OF TRUST FUND:GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Environmental Sound Life-Cycle Management of Mercury Containing Products and their Wastes			
Country(ies):	Uruguay	GEF Project ID:[1]	4998
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5084
Other Executing Partner(s):		Submission Date:	2013-07-10
GEF Focal Area (s):	Persistent Organic Pollutants	Project Duration(Months)	36
Name of Parent Program (if applicable): ➢ For SFM/REDD+ ☐ ➢ For SGP ☐		Agency Fee ($):	117,591

A. FOCAL AREA STRATEGY FRAMEWORK[2]

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount ($)	Cofinancing ($)
(select) CHEM-3	Outcome 3.1: Country capacity built to effectively manage mercury in priority sectors	Indicator 3.1.1: Countries implement pilot mercury management and reduction activities	GEF TF	1,237,800	2,947,760
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
		Total project costs		1,237,800	2,947,760

B. PROJECT FRAMEWORK

Project Objective: Protect human health and the environment from Mercury releases originating from the intentional use of mercury in products and the unsound management and disposal of such products, by i) Strengthening the regulatory and policy framework for the sound LCM of mercury containing products and their wastes; ii) Phasing-out and phasing-down mercury containing devices and products by introducing mercury-free alternatives or products with a lower Mercury content, iii) Improving national capacity (technical, financial, private sector) to make LCM of Mercury containing products technically and economically feasible.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount ($)	Confirmed Cofinancing ($)
1. Strengthen the regulatory and policy framework to allow	TA	1.1 National Extended Producer Responsibility (EPR)	1.1.1 National EPR policy and regulations for Hg-containing light	GEF TF	80,500	322,000

[1] Project ID number will be assigned by GEFSEC.
[2] Refer to the Focal Area/LDCF/SCCF Results Framework when completing Table A.

for life-cycle management of mercury containing products and their wastes		policy and regulations for mercury containing products adopted and introduced. 1.2 Strengthened policy and regulatory framework to enable the phase-out/down of mercury containing products and encourage Hg-free or low Hg content products. 1.3 Improved enforcement of and adherence to the sound collection, temporary storage, pre-treatment, decontamination and disposal of products containing mercury.	sources developed. 1.2.1 National plans/strategies for LCM of Hg containing products and their wastes (for priority sectors) revised and finalized. 1.2.2 National phase-out plans/strategies for priority Hg containing products developed. 1.2.3 National (import) standards on max. Hg content in products and wastes (BC) developed. 1.3.1 Development and implementation of guidelines and legal provisions with respect to the sound collection, temporary storage, decontamination and disposal of products containing mercury.			
2. Development of environmentally sound schemes and business models for the collection, treatment and disposal of mercury wastes	TA	2.1 Mercury releases from priority sectors reduced and segregated Hg containing waste streams augmented.	2.1.1 Capacity of 13 - 15 model entities and the general public built on the LCM of Hg containing products and their wastes. 2.1.2 Phase-out and phase-down of mercury containing products through introduction of best practices and Hg-free/low Hg alternatives. 2.1.3 Conduct a study on staff preferences on cost-effective Hg-free alternatives at model HCFs and subsequently provide training on the use of Mercury-free medical devices.	GEF TF	204,500	1,418,000

		2.2 Business models and cost recovery arrangements (CRA) for the collection, transport, temporary storage and treatment of different types of Hg wastes operational and financially sustainable.	2.2.1 Development of a detailed business plan for the operation of the treatment/decontamination facility and associated logistics and management arrangements. 2.2.2 CRAs for the collection, transport, temporary storage and treatment of different types of Hg wastes assessed and put in place. 2.2.3 Private Sector capacity built for various stages of Hg LCM. 2.2.4 Business operations for LCM of Hg containing products launched.			
3. Strengthening technical capacity and infrastructure for the (pre-) treatment, decontamination and storage (medium – and long- term) of Mercury containing wastes	TA	3.1 (Pre-) treatment/decontamination technology to treat collected Hg containing product waste established.	3.1.1 Assessment of technology needs conform to national needs and Basel guidelines completed. 3.1.2 Technology and site specifications determined. 3.1.3 Technologies procured and made operational. 3.1.4 Testing and trials completed. 3.1.5 Facility workers and operators trained. 3.1.6 Scenarios for technology transfer analyzed and optimum scenario implemented.	GEF TF	627,500	782,760
		3.2 Intermediate Hg storage options established and long-term storage options identified.	3.2.1 Intermediate and long-term storage and disposal options assessed. 3.2.2 One medium term Hg storage facility to service the treatment/decontamination facility established/upgraded.			

			3.2.3 Safe interim storage spaces for Mercury containing products made available/established at each model facility. 3.2.4 Operational procedures developed and implemented for the management of storage facilities/spaces. 3.2.5 Long-term storage option(s) for recovered elemental Mercury established (if applicable – depends on the treatment/disposal technology selected). 3.2.6 Private sector operators, PCTP and model facility staff trained in the safe management of Hg storage spaces.			
4. Strengthening national and regional awareness on the Sound Life-Cycle Management of Mercury containing products as well as associated health hazards resulting from mismanagement.	TA	4.1 National capacity to monitor Mercury levels in populations strengthened.	4.1.1 Technical specifications for PCTP and CIAT (MSP) bio-monitoring laboratory equipment prepared. 4.1.2 Procurement of laboratory equipment and reagents. 4.1.3 Protocol for sampling and analysis of Hg in water/leachate, soil, air and biological samples developed. 4.1.4 PCTP/CIAT personnel/staff trained in sampling and conducting analysis. 4.1.5 Samples for "population-at-risk" study obtained and analyzed by PCTP/CIAT. Results interpreted by PCTP/CIAT and published in scientific journal. 4.1.6 Environmental and bio-monitoring	GEF TF	183,000	200,000

		4.2 Awareness on LCM of Mercury containing products increased among project stakeholders, the general public and countries at regional and global level.	programme launched for all model facilities. 4.2.1 Website, Facebook and Twitter page developed and regularly updated containing all relevant project related information and documentation. 4.2.2 Side event organized at a chemicals-related COP (Basel, Minamata) to present project results and lessons-learned. 4.2.3 Video on the LCM of Mercury management produced at the end of project implementation and posted on YouTube.			
5. Monitoring, learning, adaptive feedback, outreach and evaluation	TA	5.1 Project results sustained and replicated.	5.1.1 M&E and adaptive management applied in response to needs, MTE findings and LL extracted.	GEF TF	58,000	50,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
			Subtotal		1,153,500	2,772,760
			Project management Cost (PMC)[3]	GEF TF	84,300	175,000
			Total project costs		1,237,800	2,947,760

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME ($)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount ($)
GEF Agency	UNDP	In-kind	175,000
National Government	Ministry of Housing, Land Use Planning and Environment (MVOTMA) / National Environment Directorate (DINAMA)	Grant	90,000
National Government	Ministry of Housing, Land Use Planning and Environment (MVOTMA) / National Environment Directorate (DINAMA)	In-Kind	260,000
National Government	Ministry of Public Healt	In-Kind	245,000

[3] PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

National Government	Ministry of Public Health	Grant	65,000
National Government	Basel Convention Coordination Centre for Training and Technology Transfer for Latin America and the Caribbean (BCCC-LAC)	In-Kind	30,000
National Government	Basel Convention Coordination Centre for Training and Technology Transfer for Latin America and the Caribbean (BCCC-LAC)	Grant	10,000
Private Sector	National Administration of Power Plants and Energy Submission (UTE)	Grant	1,290,000
Private Sector	Scientific and Technological Park of Pando (PCTP)	Grant	301,200
Private Sector	Scientific and Technological Park of Pando (PCTP)	In-Kind	481,560
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			2,947,760

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in $)		
				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)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(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. PMC amount from Table B should be included proportionately to the focal area amount in this table.

[2] Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount ($)	Cofinancing ($)	Project Total ($)
International Consultants			0
National/Local Consultants			0

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF[4]

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. Since PIF approval, the Minamata Convention was agreed to in January 2013, which will be open for signature at a special meeting in Japan in October 2013. It is expected that the treaty will come into force with the next three to five years.

In the GEF document GEF/C.44/04 "Preparing the GEF to serve as the Financial Mechanism of the Minamata Convention on Mercury upon entry into force" it describes the GEF-5 early action programme on Mercury as well as a "program to initiate ratification and early action on Mercury". As such the proposed project continues to fit very well with GEF priorities related to Mercury management.

A.3 The GEF Agency's comparative advantage: NA

A.4. The baseline project and the problem that it seeks to address: NA

A. 5. 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) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project: NA

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: Please refer to the attached draft project document, in particular Section VI the Project Results and Resources Framework (last column on Risks and Assumptions) and Annex I: Risk Analysis and Risk Monitoring.

A.7. Coordination with other relevant GEF financed initiatives NA

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation. Please refer to the attached project document in particular Annex II: "Responsibilities of national project partners", where in detail the roles and responsibilities of the various project partners has been decribed. Section III "Management Arrangements" of the attached project document also describes the management roles these partners will assume during project implementation, while in Section I and its subsection on "Stakeholder Analysis" the various project stakeholders have been described.

B.2 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):

Please refer to Section B.3. of the project proposal's PIF.

B.3. Explain how cost-effectiveness is reflected in the project design: The proposed project will be cost effective in achieving its objectives because of several aspects. It will build upon previous efforts aiming to improve the sound management of products containing Mercury (see ProDoc Section I - Baseline Analysis) as well previous projects implemented in the country/region that are related to Hg waste

[4] For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter "NA" after the respective question

management (see GEF PIF – Section B.5.).

As part of a UNEP/BCCC-LAC "Bi-national project on storage and final disposal of Mercury" an assessment of the situation in Uruguay and Argentina indicated that the most cost-effective solution for disposing of Mercury containing products was to treat/decontaminate such wastes at national level, as compared to interim storage, or shipment abroad. As such the proposed approach by this project is deemed the most cost-effective.

The small size of the country unfortunately limits opportunities for economies of scale. However the project will select a treatment/decontamination facility scale that fits current and future Hg waste streams, to guarantee that the capacity of the facility is consistent with the country's requirements (now and in the future) in order for operating and treatment costs to be kept at a minimum. In addition, the project will develop financially sustainable business models that opt for the most cost-effective solutions for the sound collection, storage, transportation, treatment and disposal of mercury wastes. The project will also put in place financial incentives in combination with regulatory measures to cover the operational costs to ensure life-cycle management of Mercury containing products.

At national level private and public sector entities are present that have demonstrated and expressed an interest in managing and operating technologies and processes for the treatment of products containing Mercury. Based on incremental cost reasoning, GEF funding will be applied as seed capital to enable the project to purchase financially viable technologies and allow these entities to operate these technologies (and when sufficiently tested ownership will be transferred to them) and provide solutions at national level for Hg decontamination. As such funding provided by the GEF can be deemed exclusively incremental.

Laboratories (e.g. PCTP/Pando) and institutions (CIAT) that will be involved in the project's implementation already have experience in monitoring heavy metal emissions and as such only require incremental support to strengthen capacity to a level necessary to ensure regular Mercury monitoring.

The financially viable operation of the technologies, which will be provided through the project in combination with capacity building, will allow for the safe handling and disposal of Mercury containing wastes on a national scale and will be the basis for Uruguay's long term treatment and disposal for Mercury containing products. At the same time new regulatory measures will minimize the amount of Mercury used in products by restricting their imports in various ways – ultimately deemed the most cost-effective approach.

All in all these efforts combined will reduce the burden of Mercury exposure on human health and the environment both at national and international level, in turn reducing costs related to abatement activities, healthcare costs and other socio-economic costs resulting from Mercury exposure and pollution.

C. DESCRIBE THE BUDGETED M &E PLAN:

The budgeted M&E plan is described in detail in the attached draft project document (Section IV. Monitoring Framework and Evaluation, in particular its subsection "M&E work plan and budget"). The elements of the section "M&E work plan and budget" are as follows:

- Inception Workshop and Report. Responsible parties: Project Manager, UNDP CO and UNDP GEF. Indicative costs: 3,000. Timeframe: Within first two months of project start up.

- Measurement of Means of Verification of project results. Responsible parties: UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. Indicative costs: To be finalized in Inception Phase and Workshop. Timeframe: Start, mid and end of project (during evaluation cycle) and annually when required.

- Measurement of Means of Verification for Project Progress on output and implementation. Responsible parties: Oversight by Project Manager, Project team. Indicative costs: To be determined as part of the Annual Work Plan's preparation. Timeframe: Annually prior to ARR/PIR and to the definition of annual work plans.

- ARR/PIR. Responsible parties: Project manager and team, UNDP CO, UNDP RTA and UNDP EEG. Indicative costs: None. Timeframe: Annually

- Periodic status/ progress reports. Responsible parties: Project manager and team and UNDP CO. Indicative costs: None. Timeframe: Quarterly

- Int. Expert for Technical Review of Project. Responsible parties: Project manager and team, UNDP CO, UNDP RCU, External Consultants (i.e. evaluation team). Indicative costs: 15,000. Timeframe: At the mid-point of project implementation.

- Final Evaluation. Responsible parties: Project manager and team, UNDP CO, UNDP RCU and external Consultants (i.e. evaluation team). Indicative costs: 15,000. Timeframe: At least three months before the end of project implementation.

- Project Terminal Report. Responsible parties: Project manager and team, UNDP CO and local consultant. Indicative costs: none. Timeframe: At least three months before the end of the project.

- Audit. Responsible parties: UNDP CO, Project manager and team. Indicative costs: 5,000 US$. Timeframe: Once in four years.

- Visits to field sites. Responsible parties: UNDP CO, UNDP RCU (as appropriate) and Government representatives. Indicative costs: For GEF supported projects, paid from IA fees and operational budget. Timeframe: Yearly.

TOTAL indicative COST (Excluding project team staff time and UNDP staff and travel expenses): US$ 38,000

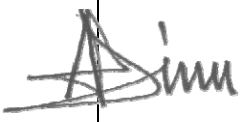
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

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 form. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
María Valeria Perez Güida	GEF Operational Focal Point	MINISTRY OF HOUSING, LAND USE PLANNING AND ENVIRONMENT (MVOTMA)	05/11/2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date *(Month, day, year)*	Project Contact Person	Telephone	Email Address
Adriana Dinu, Deputy Executive Coordinator UNDP-GEF		08/29/2013	Dr. Suely Carvalho GEF Principal Technical Advisor for POPs/Ozone UNDP/MPU/Chemicals	212-906-6687	suely.carvalho@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Please refer to the project document. The Project Results Framework is presented in Section IV on page 39.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS[5]

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

FINDINGS DURING PROJECT PREPARATION THAT HAVE AFFECTED PROJECT DESIGN:

1. AS THE MINAMATA CONVENTION WAS AGREED IN JANUARY 2013, MANUFACTURERS OF DECONTAMINATION/RETORTING FACILITIES HAVE BEEN REALIZING THAT THEIR MARKET IS EXPANDING. CONSEQUENTLY, PRICES OF SUCH TECHNOLOGIES HAVE BEEN INCREASING SINCE THE PIF WAS SUBMITTED. COST ESTIMATES THAT WERE OBTAINED AT THE TIME THE PIF WAS ELABORATED ARE CURRENTLY OUTDATED, AND INITIAL PIF BUDGET ESTIMATES WERE UNDERESTIMATED.

2. URUGUAY IS A RELATIVELY SMALL COUNTRY AND REQUIRES A SMALL TREATMENT FACILITY TO KEEP ITS OPERATION ECONOMICALLY. HOWEVER THERE ARE NOT MANY MANUFACTURERS, WHO PRODUCE SMALL SIZE TECHNOLOGIES. DURING THE PPG PHASE, THE PROJECT TEAM REACHED OUT TO ALL SMALL TECHNOLOGY PRODUCERS WORLDWIDE, BUT DUE TO PRICE INCREASES, ONLY 1 (ONE) OF THESE WOULD BE ABLE TO PROVIDE A TREATMENT OPTION THAT WOULD MEET TECHNOLOGY REQUIREMENTS WITHIN THE PIF'S BUDGET ALLOCATION.

THIS IS A CONSIDERABLE RISK, CONSIDERING PRICES MIGHT FURTHER INCREASE WHILE A SINGLE SUPPLIER MIGTH NOT NECESSARELY MEET ALL PROCUREMENT QUALIFICATIONS, WHICH MIGHT JEOPARDIZE NOT ONLY THE OVERALL SUCCESS OF THE GEF PROJECT, BUT ALSO THE LONG TERM TECHNICAL AND FINANCIAL SUSTAINABILITY OF THE MANAGEMENT AND DISPOSAL OF HG CONTAINING WASTES IN URUGUAY. THE SELECTED TECHNOLOGY WILL HAVE TO ENSURE THE TREATMENT OF HG CONTAINING PRODUCTS FOR AT LEAST THE NEXT 10 YEARS OR EVEN LONGER. THE PROJECT NEEDS ADDITIONAL FINANCIAL ROOM TO COMPLETE A SUCCESSFUL INTERNATIONAL BIDDING PROCEDURE DURING WHICH THE

3. THE INITIAL PIF REQUESTED THE GEF FOR A 1 MILLION US$ BUDGET ALLOCATION - HOWEVER BECAUSE LIMITED FUNDING WAS AVAILABLE AT THE TIME, THE GEF ASKED TO REDUCE THE FUNDING TO 700,000 US$. THIS WAS UNDERSTANDABLE, HOWEVER AT THIS POINT IT IS FEARED THAT THIS BUDGET REDUCTION, WHICH SEEMED MANAGEABLE AT THE TIME, WILL ULTIMATELY IMPACT THE SUCCESS OF THE PROJECT.

IT IS FOR THIS REASON, AND AFTER A FEW CONSULTANTIONS WITH THE GEF, THAT A MODEIFIED BUDGET HAS BEEN PRESENTED IN THE CEO ENDORSEMENT DOCUMENT AS WELL AS THE PROJECT DOCUMENT, AT A LEVEL THAT IS BEING CONSIDERED CONSISTENT WITH THE ACTIVITIES THAT WILL BE UNDERTAKEN IN THE PROJECT. A THOROUGHT ANALYSIS HAS BEEN UNDERTAKEN TO GET A GOOD ESTIMATE ABOUT THE EXPECTED REAL COSTS.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: **35,000**			
Project Preparation Activities Implemented	***GEF/LDCF/SCCF/NPIF Amount ($)***		
	Budgeted Amount	***Amount Spent Todate***	***Amount Committed***
Travel	2,000	1,776	224
International consultants	12,000	4,500	7,500
Local consultants	20,000	4,420	15,580

[5] If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

Facilities & Administration	1,000	0	1000
Total	10,696	10,696	24,304

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used**)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

NA