



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

GEF ID:	5314		
Country/Region:	Sri Lanka		
Project Title:	Environmentally Sound Management and Disposal of PCBs Wastes and PCB Contaminated Equipment in Sri Lanka		
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:	\$150,000	Project Grant:	\$4,725,000
Co-financing:	\$18,989,752	Total Project Cost:	\$24,014,752
PIF Approval:	April 24, 2013	Council Approval/Expected:	June 20, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ogawa Masako	Agency Contact Person:	Carmela Centeno

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 ?	HT, March 12, 2013: Yes.	Yes.
	2. Has the operational focal point endorsed the project?	HT, March 12, 2013: Yes.	Yes.
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	N/A	N/A
	• the focal area allocation?	N/A	N/A
	• the LDCF under the principle of equitable access	N/A	N/A
	• the SCCF (Adaptation or	N/A	N/A

*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 January 2013

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	Technology Transfer)?		
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	N/A	N/A
	<ul style="list-style-type: none"> focal area set-aside? 	N/A	N/A
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCE/SCCF/NPIF results framework and strategic objectives?</p> <p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	<p>HT, March 12, 2013: Yes, it is aligned with CHEM-1, especially management of PCBs in an environmentally sound manner.</p>	Yes.
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>HT, March 12, 2013: Yes.</p>	Yes.
Project Design	<p>6. 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>HT, March 12, 2013: The PIF explains that the baseline projects will encompass: the assessment of the existing regulations and development/formulation of PCB-related legislation; and awareness raising and information campaign. While these activities could be bases for component 1 and 2, what will be baseline projects for component 3? Please explain.</p> <p>HT, April 12, 2013: Explanation on the baseline project has been provided. Comment cleared.</p>	Yes.

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	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>HT, March 12, 2013: Please address the following comments:</p> <p>Component 1: a) The PIF explains that the capability of government to undertake the inventory will be strengthened by providing guidance for sampling, PCB field test kits, training on use and data management. Who will provide the guidance to whom? Please clarify. b) It is necessary to ban selling PCB-contaminated oil at first. This is an issue of government commitment rather than awareness raising. Is it possible to ensure the enforcement of this regulation by the start of the project?</p> <p>Component 2: c) What market-based instruments will be envisaged? Please clarify.</p> <p>Component 3: d) The PIF explains that the PCB waste oil will be disposed through cement-kiln co-processing. Including this technology, how will the project ensure environmentally-sound disposal of PCBs? Please explain. e) Is the selection of disposal sites included in this component? Please explain. f) The total of funding (GEF funding plus co-financing) for Component 3 amounts to \$17,400,000. Given the amount of disposed PCBs (1000 tons), the average cost is roughly estimated at 17,400 (\$/ton). Is this cost estimate envisaged in</p>	<p>Regarding technology, sites and stakeholders, additional information are provided in the section A.4 and Annex B. There is no additional comments.</p>

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		<p>the project? Please explain.</p> <p>g) Which entities will store, collect, register, label, transport and dispose PCBs and PCB-containing equipment and waste? Which entities will cover the cost of the above activities? Please explain.</p> <p>HT, April 12, 2013: a) b) c) Clarification has been provided. Comment cleared. d) Explanation has been provided. Comment cleared. Please provide detailed assessment of technologies for environmentally-sound disposal of PCBs at the CEO Endorsement stage. e) Explanation has been provided. Comment cleared. Please provide detailed information on sites for storage and disposal at the CEO Endorsement stage. f) Explanation has been provided. Comment cleared. g) Explanation has been provided. Comment cleared. Please provide the roles of stakeholders to address PCBs, PCB-containing equipment and waste, including a Public-Private-Partnership, at the CEO Endorsement stage.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>HT, March 12, 2013: This will be examined again after receiving responses to the comments for other items.</p> <p>HT, April 12, 2013: Yes, 1000 tons of PCBs will be disposed at least. The incremental cost reasoning is sound and appropriate.</p>	<p>Yes.</p>

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	<p>9. 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?</p>		Yes.
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>HT, March 12, 2013: Yes.</p>	<p>Yes. NGOs will be the partner to implement awareness raising activities.</p>
	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)</p>	<p>HT, March 12, 2013: Yes.</p>	Yes.
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>HT, March 12, 2013: Please explain how the UNIDO has reflected its experience of the past and on-going PCB disposal projects into this proposal.</p> <p>HT, April 12, 2013: Explanation has been provided. Comment cleared.</p>	Yes.
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the 	<p>HT, March 12, 2013: Please address the following comments:</p> <p>a) In disposing PCBs, what technologies will the project envisage? Please explain. b) What if the project will not dispose all PCBs and PCB-containing equipment and waste in the country? How will the rest of PCBs be treated after the project?</p>	<p>Regarding technology and sustainability, additional information are provided in the section B.3 and Annex B. There is no additional comments.</p>

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	<p>likelihood of achieving this based on GEF and Agency experience.</p> <ul style="list-style-type: none"> Assess the potential for scaling up the project's intervention. 	<p>Please explain.</p> <p>HT, April 12, 2013: a) Explanation has been provided. Comment cleared. Please provide detailed assessment of technologies for environmentally-sound disposal of PCBs at the CEO Endorsement stage. b) Explanation has been provided. Comment cleared. Please provide a detailed strategy to sustain the outcomes and outputs of the GEF project at the CEO Endorsement stage.</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		<p>Please provide explanation why Lao PDR are included in the project, e.g paragraph 81 and Annex A (page 28).</p> <p>MO, Feb. 20, 2015: The document is revised. Comment cleared.</p>
	<p>15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?</p>		<p>Yes. Availability of Holcim facility helps this cost-effectiveness.</p>
<p>Project Financing</p>	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>HT, March 12, 2013: Please describe which co-financing source will contribute to which component.</p> <p>HT, April 12, 2013: Explanation has been provided. Comment cleared.</p>	<p>Regarding Annex F, please provide explanation why budgets are allocated for Year 4 and Year 5 of the Output 3.1. According Annex E, there are no activities for this output expected.</p> <p>Overall co-financing ratio is adequate at 1:4. Most of co-finance will be provided from the Ceylon Electricity Board, the owner of about 2500 phased out</p>

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			<p>transformers, and this is appropriate.</p> <p>MO Feb. 20, 2015 Annex F Budget table is revised and aligned with the Annex E Timeline of activities. However, output 3.1 in Annex F is different from the proposed output in the section "B. Project Framework". It should be "PCB waste collected, packages, transported and stored". Please revise Annex F.</p> <p>MO Feb.24, 2015 Output3.1 in Annex F is revised. Comment cleared.</p>
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>HT, March 12, 2013: Please justify the level of co-financing from UNIDO (\$600,000 in total).</p> <p>HT, April 12, 2013: Justification has been provided. Comment cleared.</p>	<p>Not yet. Please provide letters confirming co-financing from Ministry of Environment and Renewable Energy, Ministry of Power and Energy, Ceylon Electricity Board, Central Environment Authority, Lanka Electricity Company, and Holcim.</p> <p>MO Feb. 20, 2015 Co-financing letters are submitted from all sources listed in the section "C. Source of confirmed co-financing for the project by source and by name". However, co-financing amount on the section "A. Focal area Strategy Framework" on page 1 is different from the amount USD 18,989,751 on the section B, page 2 and section C, page 3. Also the total amount calculated from the letters becomes USD 20,426,056, which is different from the above</p>

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			<p>number. If contingencies from Ceylon Electricity Board and Lanka Electricity Company are excluded, the total calculated amount becomes USD 18,985,490, which is still different from the project document.</p> <p>Please re-calculate and the amounts of co-financing, and provide a table of the calculation including amounts in LKR and USD.</p> <p>MO Feb.24, 2015 An annex to the letter from the company geocycle is submitted, and the amounts are revised in Section A, B and C of Part I. The total amount of co-financing is USD 18,989,752, which can be calculated from the letters. Comment cleared.</p>
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>HT, March 12, 2013: Yes.</p>	<p>PMC costs are appropriate at 4.7%. However PMC co-financing ratio is low, it should be at least equivalent to overall co-financing ratio.</p> <p>MO Feb. 20, 2015 PMC co-financing ratio is 1:4, which is same as the overall co-financing ratio. Comment cleared.</p>
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency</p>	<p>HT, March 12, 2013: PPG is requested. PPG will not be recommended before PIF recommendation.</p> <p>HT, April 12, 2013: Requested PPG is within the norm.</p>	<p>Yes. PPG activities are completed.</p>

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	report on the activities using the PPG fund?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	HT, March 12, 2013: There is no non-grant instrument.	There is no non-grant instrument.
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		Please provide numerical project target (quantity of PCB contaminated equipment disposal) in the Tracking tools. MO Feb. 24, 2015 Numerical targets were provided in the submission on Feb.20, 2015. Comment cleared.
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		Yes.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		N/A
	• Convention Secretariat?		N/A
	• The Council?		N/A
	• Other GEF Agencies?		N/A
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	HT, March 12, 2013: Not at this stage. Please address the above comments. HT, April 12, 2013: All comments are cleared. The PIF has been technically cleared and may be included in an upcoming Work Program.	
	25. Items to consider at CEO	HT, April 12, 2013:	

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	endorsement/approval.	Please address the following items at the CEO Endorsement stage: a) detailed assessment of technologies for environmentally-sound disposal of PCBs; b) detailed information on sites for storage and disposal; c) roles of stakeholders to address PCBs, PCB-containing equipment and waste, including a Public-Private-Partnership; d) detailed strategy to sustain the outcomes and outputs of the GEF project.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		<p>Not at this time. Some items, as noted above, need further information. a) participation of Lao PDR, b) budget allocation for output 3.1 c) co-financing confirmation letters d) PMC co-financing ratio, and e) numerical project target for Tracking Tool.</p> <p>MO Feb. 20, 2015 Not at this time. Some items, as noted above, need further clarification; a) Output 3.1 in Annex F b) Co-financing amount</p> <p>MO Feb. 24, 2015 All comments are cleared. Project Manager recommends CEO endorsement.</p>
	First review*	March 12, 2013	
Review Date (s)	Additional review (as necessary)	April 12, 2013	
	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. Greyed areas in each section do not need comments.**