



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title:	Environmentally sound management and disposal of PCBs wastes and PCB contaminated equipment in Sri Lanka		
Country(ies):	The Democratic Socialist Republic of Sri Lanka	GEF Project ID: ¹	5314
GEF Agency(ies):	UNIDO (select) (select)	GEF Agency Project ID:	130004
Other Executing Partner(s):	Ministry of Environment and Renewable Energy of Sri Lanka	Submission Date:	02/26/2013
		Re-submission Date:	04/11/2013
GEF Focal Area (s):	Persistent Organic Pollutants	Project Duration (Months)	60 months
Name of parent program (if applicable):		Agency Fee (\$):	448,875
<ul style="list-style-type: none"> • For SFM/REDD+ <input type="checkbox"/> • For SGP <input type="checkbox"/> 			

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
(select) CHEM-1	GEFTF	4,725,000	18,900,000
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
Total Project Cost		4,725,000	18,900,000

B. INDICATIVE PROJECT FRAMEWORK

Project Objective: The project will build capacity to introduce and implement a polychlorinated biphenyl (PCB) management system to reduce and/or eliminate releases from PCB waste stockpiles and PCB-containing equipment in an environmentally sound manner.						
Project Component	Grant Type ³	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Cofinancing (\$)
1. Institutional strengthening and awareness raising	TA	Institutional capacities and stakeholders' awareness on PCB issues strengthened.	1.1 Technical and human resources capacity for PCB management and disposal strengthened; 1.2 PCB inventory on the utility sector verified (during PPG phase) and completed; 1.3 Stakeholder awareness and	GEFTF	550,000	2,000,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

³ TA includes capacity building, and research and development.

			engagement including NGOs and civil society established.			
2. Policy and regulatory framework	TA	Policy and regulations relevant to PCBs formulated and enforced	2.1 Policy and regulatory framework developed and enforced for PCB management.	GEFTF	250,000	1,000,000
3. Disposal of PCBs, PCB-containing equipment and wastes	Inv	Disposal of 1000 tons of PCBs, PCB-containing equipments and wastes	3.1 ESM system for PCBs established including collection, packaging, registration, labelling system, transport and safe interim storage; 3.2 PCB wastes disposed and PCB-containing equipment decontaminated based on selected technical option; 3.3. Long-term strategy on PCB management developed (based on project results).	GEFTF	3,400,000	14,000,000
4. Monitoring and Evaluation	TA	Project management and M&E established	4.1 M&E framework designed and implemented according to GEF M&E procedures	GEFTF	300,000	100,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
		Subtotal			4,500,000	17,100,000
		Project Management Cost (PMC) ⁴		GEFTF	225,000	1,800,000
		Total Project Cost			4,725,000	18,900,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
National Government	Ministry of Environment and Renewable Energy (MERE)	Grant	800,000
National Government	Ministry of Environment and Renewable Energy (MERE)	In-kind	2,500,000
National Government	Ministry of Power and Energy	In-kind	1,000,000

⁴ To be calculated as percent of subtotal.

PART II: PROJECT JUSTIFICATION⁷

A. PROJECT OVERVIEW

A.1. Project Description. Briefly describe the project, including ; 1) the global environmental problems, root causes and barriers that need to be addressed; 2) the baseline scenario and any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental cost reasoning and expected contributions from the baseline , the GEFTF, LDCF/SCCF and co-financing; 5) global environmental benefits (GEFTF, NPIF) and adaptation benefits (LDCF/SCCF); 6) innovativeness, sustainability and potential for scaling up

Global environmental problems, root causes and barriers to be addressed

1. Sri Lanka signed the Stockholm Convention (SC) on Persistent Organic Pollutants (POPs) on 05 September 2001 and ratified it on 22 December 2005. The National Implementation Plan (NIP) was transmitted on 28 September 2007 and two country reports were submitted on 31 December 2007 and 27 September 2010, respectively. The Ministry of Environment and Renewable Energy (MERE) serves as the national focal point to the Stockholm Convention and will be the national executing partner for this proposed project.
2. The management of polychlorinated biphenyls (PCBs) has been identified as a priority problem in the NIP though Sri Lanka never produced PCBs. It was estimated that 1,060 of the transformers manufactured on or before 1986 (i.e. period of global PCB production) are contaminated with PCBs. The contamination is assumed to have taken place during maintenance activities or the inadvertent use of PCB contaminated oil. It was estimated that about 1000 tons of PCBs, PCB-containing equipments and wastes exists in the country, and thus the amount of disposal for this project is based on the preliminary NIP inventory. Specific problems related to PCB management and which the proposed project aims to address include: (i) Lack of adequate legislation to control imports; (ii) Environmental impacts and baseline levels not adequately studied; (iii) Lack of sufficient resources for identification and analysis; (iv) Lack of acceptable treatment, disposal and storage systems for PCB contaminated oils and equipment; (v) Contaminated sites yet to be identified; and, (vi) Cross contamination of non-PCB oil with PCB oil.
3. The following constraints are also faced by the government in solving the PCB problem: (i) low level of awareness and equally low level of resources allocated for information campaigns; (ii) weak enforcement mechanisms (lack of technical capability to detect and regulate PCBs in use and releases to the environment, and to control PCB imports); (iii) lack of sustained commitment from other government functionaries; and, need for increased private sector participation (e.g. unwillingness of PCB owners to pay for proper PCB treatment).

Baseline scenario and any associated baseline projects

4. Currently, there is still no legislation in place to compel owners to provide information on equipment that may be containing PCBs. The baseline project envisages the enactment of legislation in order to effect compliance with the requirements of the SC on the environmentally-sound management of liquids, wastes and equipment containing more than 50 ppm of PCB. At present, PCB wastes are controlled through the National Environmental Act (NEA), No.47 of 1980 which prohibits the generation, collection, transport, storage, recovery, recycling or disposal of waste or establishment of any site or facility for the disposal of any specified waste, except when in possession of a license issued by the Central Environment Authority and in accordance with such standards and other criteria as may be specified. Codes have been assigned for PCB-containing equipment/materials, for easy identification and control of importation. However, data from the Customs Department published in a policy paper in June 2012 by an NGO called Centre for Environmental Justice, showed that from

⁷ Part II should not be longer than 5 pages.

2009-2011 transformers containing PCB may have entered Sri Lanka.

5. As part of the baseline project, the CEA will amend the National Environmental Act next year to regulate the import, production or use of specified materials, substances or chemicals which will be harmful for human health and environment. This will include chemicals covered under the different international conventions, including all POPs. PCB regulation must be improved to set the standard for PCB and also to compel PCB owners to adhere to environmentally-sound management (ESM) of PCB-contaminated oil, equipment and wastes. This will be done through the issuance of Guidelines on ESM of PCBs. CEA's capacity to monitor the extent of PCB contamination in the country, as well as current management practices, has to be enhanced. The baseline project will encompass the assessment of the existing regulations and development/formulation of PCB-related legislation.
6. During the NIP, PCB inventory was undertaken but of limited scope. Inventory figure was extrapolated using several assumptions. While it is clear that the nature, quality and quantity of PCB wastes and PCB-contaminated oil and equipment to be addressed need to be ascertained to provide a holistic PCB management plan, the government of Sri Lanka lacks the financial and human resources to extend the inventory and requires support to undertake the same.
7. The baseline project also supports awareness raising and information campaigns dictated by available resources. A stronger and wider IEC is envisaged during the implementation of the project. Targeted training on PCB issues and PCB management will be carried out to support increased awareness of various stakeholders on this issue.
8. Ceylon Electricity Board (CEB) and Lanka Electricity Corporation (LECO) are the main transformer owners in Sri Lanka. Maintenance services are provided by CEB Maintenance Branch at Piliyandala (medium voltage) and repairs are done by Lanka Transformers Ltd (LTL) at Homagama and Sapugaskanda. Transformer repair and retrofilling sites have no labelling procedures nor safety precautions. The Industrial Development Board (IDB), mandated for management of scrap from the public sector, acts as intermediate for procuring decommissioned transformers. Although required, IDB is operating without license from the Central Environment Authority (CEA). Presently, all decommissioned transformers are sold by the LTL at their Homagama yard and by the LECO at their Waskaduwa yard. The usual buyer is the IDB. They in turn scrap the transformers to sell the copper and oil to small scale recyclers, who are engaged in manufacturing of welding transformers, battery charging, motor winding etc. throughout the country. Oil is also sold to welders, garage owners and people using oil for domestic purposes. MERE has informed CEB to stop auctioning used oil that has not been checked as PCB-free, but this instruction is yet to be implemented. Awareness of the small-scale recyclers and the public in general still needs to be enhanced. The maintenance facilities of CEB and LTL will be improved to have a separate line for handling PCB-contaminated equipment, dismantling and storage of PCB-contaminated waste equipped with safety features to enable environmentally-sound management. Auction rules of CEB and LTL for used oil and decommissioned equipment will include a guarantee of being PCB-free. In parallel, awareness raising campaign will be conducted to educate the secondary users of oil.
9. LTL reportedly used CLOR-N-OIL 50 to screen oil for PCB content prior to re-use. They have also attempted to procure PCB test kit (Dexsil L2000 Analyzer) in 2008 but had importation problems since the kits were considered dangerous cargo. It was verified that LTL is, at present, using Dexsil test kits. A private company called Geocycle, a business unit of Holcim (Lanka) Ltd, and is authorized to transport and dispose PCB-contaminated waste in the country, is also able to provide services for PCB analysis using Gas Chromatography in their laboratory in the Puttalam plant. The Industrial Technology Institute (ITI), a government-owned institution under the Science and Technology department, has the capability for PCB analysis and may be considered as a candidate for future government certification/accreditation. A number of other laboratories (e.g. academic) with GC-ECD/GC-MS capability are also able to analyse PCBs. The baseline project will include the adoption of a standard method for PCB analysis in Sri Lanka. An accreditation system for laboratories conducting PCB analysis will also be established. CEA, the agency tasked to monitor hazardous wastes, currently does not have capability to analyse PCBs. One of the deliverables of the

project is the development of analytical capacity in the country.

10. MERE has confirmed that activities have been planned and are underway for the disposal of PCB-contaminated oil in stock with LECO. The actual amount of oil to be disposed is still not known to date but 7M LKR (approximately 54,000 USD) from MERE budget has been allocated for the disposal. The waste oil will be handled by Geocycle and disposed through Cement-Kiln Co-Processing at Holcim's Puttalam plant. However, funding and technical assistance is required to completely dispose/decontaminate the PCB wastes in the country.
11. The baseline project will include the establishment of environmentally-sound management (ESM) system for handling PCB-contaminated oil/equipment/wastes from the point of use/generation up to final disposal. This will entail upgrading of systems of transformer maintenance while providing separate lines for handling contaminated oil/equipment to prevent further cross-contamination. Also, proper collection and temporary storage facilities have to be identified and established according to environment and safety standards/regulations. On the disposal part, this will include technology assessment, site selection, environmental impact assessment (EIA) and assurance of adherence to environmental and safety standards/regulations. This will set the proper infrastructure for management of the 1000 tons of PCB-contaminated oil/equipment/wastes committed for treatment/disposal in this project, as well as for further management of the rest of the country's PCB wastes until 2028.

Proposed alternative scenario, with brief description of expected outcomes and components of the project

12. The proposed GEF project will assist the country to strengthen human and institutional capacities to manage the PCB issues in the country. It will introduce environmentally-sound management of PCBs allowing the dissemination and replication of the best practices for PCB management and disposal.
13. Component 1 addresses institutional capacity building and awareness raising. As discussed in the baseline scenario, technical and analytical capacities of relevant stakeholders need to be strengthened to provide good foundation in addressing PCB issues. It is envisaged that analysis of the rest of transformers manufactured before 1986, or around 2,034 transformers, will be done in the first phase of the project. The inventory activities will be extended to include transformers in the North-East areas, as well as transformers repaired and maintained from 1986 to the time PCB content was analyzed and became a criteria for accepting transformers for maintenance. Those equipment appearing from the Customs Department records as having entered the country under the PCB HS Codes will also be included in the inventory. Capacitors and other electrical equipment that may contain PCB will also be checked. Thus, a full inventory of the utility sector is envisaged in the baseline project. The capability of government to undertake the inventory will be strengthened. This will be done through training to be conducted by international experts, providing guidance on sampling (including for other electrical equipment), use of PCB field test kits (i.e. Dexsil Analyzer), labelling of equipment, data collection and management through a database. The trainees will be inspectors from the Central Environment Authority (CEA), staff from the Ministry of Environment and Renewable Energy (MERE), technical staff of CEB/LTL/LECO, as well as other inventory team leaders.
14. The GEF project will assist in the conduct of an in-depth and a more widely-covered inventory of the PCB wastes and equipment in the utility sector. The inventory is also aimed at establishing a database on PCB owners, PCB contaminated oil which may be regenerated and PCB stockpiles and wastes that may be directly disposed. The project will also enable the strengthening of technical capacities for analysis of PCBs.
15. Capacity building efforts will also be directed to government officials at the central and provincial levels, managers and workers at state-owned utilities (i.e. Ceylon Electricity Board) and private entities (industry, transformer manufacturers, transformer service provider, academia, relevant association, NGO, etc). Training will be provided to share knowledge on how to identify PCB to and to establish mechanism in industry to prevent leakage and cross contamination, safe handling and

storage of the equipment in the industry site. ESM of PCBs shall also be properly disseminated among relevant stakeholders including conduct of inventory, proper registration, labeling and storage of PCB wastes and PCB contaminated equipment.

16. Component 2 targets the formulation of guidelines and policies relevant to PCBs. It aims to propose both regulatory and market-based instruments (e.g. pollution charges, cost-effective disposal through PPP arrangements, tax and duty free importation of fresh oil to replace contaminated stock) to encourage PCB owners to declare and dispose of their PCB stockpiles. Policies will be widely disseminated to relevant stakeholders and enforcement will be put in place to achieve the commitment of a PCB-free country before 2028. Detailed PCB phase-out plan will be developed and strategy for priority setting will be established and applied inviting all stakeholders into the decision making process.
17. Disposal of at least 1000 tons of PCBs will be undertaken under Component 3. ESM system will be established in selected PCB owners sites for demonstration including labelling, registration and packaging of PCB wastes and PCB-contaminated equipment. The inventory will determine the technology options that maybe applied in the country. Comparison of different scenarios, cost-benefit analysis and studies of economic and market conditions will be undertaken to ascertain the most viable and applicable technology or mechanism that may be introduced or utilized to address PCB management in the country.

Incremental cost reasoning and expected contributions from the baseline, the GEFTF, LDCF and co-financing

18. The GEF scenario will support the baseline project by providing a holistic environmentally-sound management of PCBs in Sri Lanka. While some efforts are already being mobilized in the country, financial and technical assistance is required to enable the country to step up its programs on PCB management curtailing further cross-contamination and harmful disposal of PCBs.
19. There are no other options identified for treating PCB-contaminated oil within the country aside from cement kiln co-processing (CKCP). The project can support by conducting a technology assessment of the existing CKCP plant and determining the techno-economic viability of the arrangement, as well as strengthening the public-private partnership agreement in terms of building the capacity of each party in fulfilling their obligatory requirements. The project will help Sri Lanka regulate the oil recycling sector making sure that PCB oil is not recycled and distributed for further use. This is one significant issue that will be addressed through the assistance of the GEF ensuring protection of human health and the environment from the adverse effects of PCBs.
20. In the absence of GEF funding, the capacity for PCBs management as well as legal and institutional frameworks would improve slowly. Public awareness of the issues would continue to be low and the current conditions of PCBs storage and illegitimate uses by uninformed people will continue.
21. With the assistance of the GEF , Sri Lanka would accelerate its reduction of PCBs and establish a proper country-wide safe and environmentally sound management and disposal of PCBs. This will avoid potential release and contamination to international waters, which is to be considered as a high risk due to the fact that Sri Lanka is an island state. Improper handling could result in additional POPs air emissions due to uncontrolled dumping or burning. The avoidance of all these negative effects will contribute to the global environment.

Global environmental benefits (GEFTF, NPIF) and adaptation benefits (LDCF/ SCCF)

22. With the assistance of the GEF, Sri Lanka will be assisted in meeting its obligations under the Stockholm Convention and thus, will contribute to global efforts to eliminate PCBs. It will also indirectly contribute to the objectives of two other international environmental agreements, i.e. the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and Their Disposal and the Rotterdam Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals.

23. The project will, among others, dispose of at least 1000 tons of PCB wastes, PCB-contaminated oil and equipment.

Innovativeness, sustainability and potential for scaling up

24. In line with the Stockholm Convention requirements and with the GEF strategic objectives on POPs, the project will build an environmentally-sound management (ESM) system for PCBs management in the country and promote the replication of ESM of other hazardous substances. A sustainable administration of the project will be achieved through strengthening of the institutional POPs management structure, making of the necessary policies and raising public awareness. High-level political involvement will be ensured through a dedicated project team who will consult with stakeholders and relevant authorities on project matters. This will also be beneficial for a timely project execution.

25. Social sustainability will be ensured by strengthening public participation and ensuring access to project outcomes to the general public. In particular, local communities, women and children will be involved in project activities to ensure that risks and problems associated with POPs will be properly addresses and mitigation strategies can be formulated. General public will also be informed about health and environmental risks related to PCBs and benefits from eliminating its production, use, storage, transport and disposal in an environmentally-sound manner.

A.2. Stakeholders. Identify key stakeholders (including civil society organizations, indigenous people, gender groups, and others as relevant) and describe how they will be engaged in project preparation:

26. The following institutions, also participating in preparing the preliminary PCBs inventory, have been identified as main stakeholders of the project: Ministry of Environment and Renewable Energy (MERE) as national executing partner, Ceylon Electricity Board (CEB), Lanka Electricity Company (LECO), Lanka Transformers Limited (LTL), Central Environmental Authority (CEA), Sri Lanka Customs, Industries (e.g. textiles, steel, tyre) and other manufactures, Plantations with processing facilities (e.g. tea and rubber), Informal Recyclers of waste oil and disposed transformers. Their co-financing will be, among others, in the form of disposal fees, equipment replacement cost, cost of fresh oil, land space and cost of storage facilities; plus softer items like staff time, training and others. CEB, LECO and LTL can be considered as the three main agencies that deal directly with transformers and capacitors, which may be contaminated with PCBs. These institutions import and handle all transformers used by the state sector and by the power utilities in the country. Additional stakeholders, especially waste authorities, companies dealing with PCB management and NGOs will be considered for project implementation, however, a detailed list of stakeholders will be prepared during PPG phase.

27. The importance of the full support of the Sri Lankan government and its respective relevant ministries cannot be overemphasized especially on the institutionalization of policy and legal framework that should address PCB Management in the country. The MERE will be the national executing partner for the project and will coordinate and ensure the timely implementation of the project. The Central Environmental Authority shall ensure that policy framework is developed to address PCB issues in the country.

28. The Ceylon Electricity Board (CEB), Lanka Electricity Company (LECO) and Lanka Transformers Limited (LTL), deal directly with transformers and capacitors and will be engaged and targeted for capacity building and mobilizing co-financing. These enterprises will be key stakeholders in implementing PCBs management and disposal.

29. The commitment of private sector (PCB owners) to dispose of their stockpile in an environmentally sound manner is also very significant. The project will partner with private sector in investing in PCBs management plan implementation. Their corresponding co-financing contribution will be sought to deliver the needs and objectives of the project.

30. The project will also seek the participation of transformer service providers, relevant industry associations, NGOs, women's organization, media and the academia in capacity building, PCB disposal plan and public awareness raising activities.
31. Gender dimensions are also a critical component to be considered during this PCB project. Recognizing that the level of exposure to PCBs and its related impacts on human health are determined by social and biological factors, women, children and men might be exposed to different kinds, levels and frequency of new POPs chemicals (e.g. in the household, agriculture, industry, school, etc.); therefore, gender mainstreaming activities will be an integral part of this project. This will be addressed with due regard to UNIDO gender policy, mainly by involving women and vulnerable groups at the sector level (e.g. Ministry of Health, Ministry of Agriculture, etc.), in the project coordination unit (PCU) and national steering committee, at the stakeholder level (e.g. by involving relevant women's group in the workshops, at the informational level (e.g. gathering POPs inventory data on current POPs management practices, on occupational health data, and consultation about potential and practical post-NIP interventions) and public awareness activities.

A.3 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

Risks	Mitigation measures	Risk level
(1) Risk: Co-financing will not reach the target level	Signed letters of interest and co-financing commitment letters will ensure that co-financing will be timely available. UNIDO and the Government of Sri Lanka will engage the relevant stakeholders from project formulation stage to gain their participation which may translate to co-financing	M
(2) Risk (governance) PCB-related policies and regulations not formulated and timely implemented	The Government commits itself to act on PCBs elimination by requesting for the development of the proposal and adopting/issuing/implementing the regulations, guidance and standards arising from the project	M
(3) Risk (impact and sustainability): Disposal technology not meeting performance requirements	Assessment of technological options, selection of proven technology, provision of adequate training, and active supervision of the operation of disposal facilities will mitigate this risk	L
(4) Risk (impact and sustainability): Public opposition to the disposal	Public awareness raising and inclusion of all stakeholders in both project preparation and	L

project	implementation will minimize the likelihood of this occurring	
(5) Risk (Project management): Delays in project implementation and low quality performance	Carefully selected success indicators and the adaptive monitoring practice will enable timely implementation and high quality results	L
(6) Risk: Climate change	There will be no risks associated with climate change as the technologies chosen will be BAT/BEP, excluding the emission of additional CO2	none
(7) Risk: Lack of willingness of PCB owners to support the project	Awareness raising in project preparation and technical selection of ESM, including economic, health and environmental benefits	L

A.4. Coordination. Outline the coordination with other relevant GEF financed and other initiatives:

32. The project will seek coordination with the related Chemicals Management project being implemented in Sri Lanka. These include the SAICM project which aims to upgrade the chemical profile of country. A PCB management project funded by the Government of Sri Lanka to dispose part of the identified PCB stock is being planned and budgeted.
33. There is an on-going UNIDO project entitled "Phase II- Up-scaling of the activities/ services provided by the National Cleaner Production Centre in Sri Lanka" aiming to contribute to sustainable industrial development and sustainable consumption and production in Sri Lanka through uptake of Cleaner Production (CP) concepts, methods, policies and practices.
34. Recently, the NIP review and update project with UNIDO as implementing agency has been submitted to GEF for approval. There is also an upcoming project on Smart Chemicals Management in the Sri Lankan Industrial Sector, which UNIDO will support, in cooperation with the Sri Lanka Cleaner Production Center.
35. The country also has a strong program on mercury management and the awareness raising component of this program will include POPs in general. The MERE has identified eight focal areas to minimize use of Mercury in the country which include: preparation of mercury inventory in Sri Lanka; survey on extent of mercury use and its effect on gold jewelry makers; study on mercury levels of mercury in the human tissues; market survey of the ayurvedic and other beauty products containing mercury; trace metal analysis of human hair samples of selected population; survey of mercury containing thermometers used in schools and introduction of alcohol thermometers and; implementation of a pilot project on mercury management in hospitals.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

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

36. The National Implementation Plan (NIP) for the Stockholm Convention of the Democratic Socialist Republic of Sri Lanka identified phase-out and disposal of PCBs as second of the priorities requiring immediate attention and action. The rationale and objectives of the project derive from the priorities and key objectives established by the NIP: Develop and put in place legislation for PCB

management; Establish full inventory of PCB containing equipment; Establish procedures for equipment maintenance; Establish appropriate PCBs analysis laboratory facilities; Establish and implement guidelines for phase out, transportation; Storage and disposal of PCBs equipment; Establish progress monitoring mechanisms; Capacity building for control and management of PCBs; and, Disposal of existing stocks and stockpiles.

37. The National Development Framework, developed to date, "*Mahinda Chinthana- a Vision for Future*" encourages all industries to operate in an eco-friendly manner through the introduction of effective waste management systems. In the industrial pollution prevention and control targets for Y 2016, 80-100% of hazardous industrial wastes are aimed for collection and treatment.
38. The National Action Plan for Haritha Lanka Program (2009) by the National Council for Sustainable Development serves as the country's cohesive program of action for sustainable development. In its Mission 6: Doing Away with the Dumps, the prevention of the accumulation of hazardous wastes in non-hazardous waste streams, specifically, the establishment of public-private partnerships (PPP) in providing services for hazardous waste management was mentioned as a strategy.
39. The draft report (ver. March 2012) of the National Portfolio Formulation Exercise (NPFE) for GEF Cycle V, prepared by the Ministry of Environment, Government of Sri Lanka (GoS), identified the concept "POPs Enabling Activities and Phasing-Out – Complete Life-Cycle Management of the Chemicals in an Environmentally-Sound Manner", to be submitted to GEF for potential funding.

B.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:

40. The proposed project is consistent with GEF-5 Chemicals FA objective CHEM-1 "Phase out POPs and reduce POPs releases"; Outcome 1.4 "POPs waste prevented, managed and disposed of and POPs contaminated sites managed in an environmentally sound manner"; Output 1.4.1 "PCB management plans under development and implementation". The project is focusing on the environmentally sound management (ESM) of PCBs and will mobilize funds for investing in safe control, management and disposal of PCBs and PCB-containing equipment and wastes in the country. The project will create a self-financed sustainable system through the involvement of private companies providing services for collection, transport, interim storage and final disposal of PCBs under the control of responsible governmental institutions in accordance with strengthened legislative framework.

B.3 The GEF Agency's comparative advantage for implementing this project:

41. UNIDO is within the comparative advantage matrix set out in GEF/C.31/5 rev.1. UNIDO's operation has been extensively carried out in the POPs focal area of GEF, in particular, UNIDO has implemented environmentally sound management of PCBs in Asia and other regions and has accumulated sufficient knowledge and experiences in implementing GEF projects.
42. UNIDO will provide an in-kind contribution of US\$ 500,000 and US\$ 100,000 grant as co-financing from its thematic projects on energy and environment in Sri Lanka for managerial and technical oversight and supervision to project management, M&E and other costs of two senior and administrative personnel at UNIDO Hqs and UNIDO office in New Delhi.
43. UNIDO's thematic priorities centre on poverty reduction through trade capacity building and environmental and energy management. The organization is committed in introducing technology solutions in an integrated manner to issues that impact health and the environment.
44. The project will be implemented by UNIDO Regional Office in India with the support of the UNIDO HQ and the MERE as the national executing partner ensuring full coordination and timely implementation of the project.
45. UNIDO's Country Programme of Technical Cooperation with the Democratic Socialist Republic of Sri Lanka 2010-2014, includes in the program components, the introduction of environmentally-sound technologies as well as required service infrastructure. This is also in support of the UNDAF Sri

