



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

THE GEF TRUST FUND

Submission Date: August 28 2009

## PART I: PROJECT IDENTIFICATION

GEF PROJECT ID<sup>1</sup>: PROJECT DURATION: 70 months

GEF AGENCY PROJECT ID: P114829

COUNTRY(IES): Kazakhstan

PROJECT TITLE: Elimination of POPs Wastes in Kazakhstan

GEF AGENCY(IES): World Bank

OTHER EXECUTING PARTNER(S): Ministry of Environmental Protection (MEP)

GEF FOCAL AREA (S)<sup>2</sup>: Persistent Organic Pollutants

GEF-4 STRATEGIC PROGRAM(S): POPs-SP2 and POPs-SP3

NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable):

INDICATIVE CALENDAR*	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	11/2009
CEO Endorsement/Approval	05/2011
Agency Approval Date	07/2011
Implementation Start	05/2012
Mid-term Evaluation	04/2015
Project Closing Date	03/2018

\* See guidelines for definition of milestones.

## A. PROJECT FRAMEWORK

**Project Objective:** The overall Global Environment Objective of the proposed project is to reduce the environmental and health hazards associated with stockpiles of PCB-containing materials and waste and POP-containing pesticides, by eliminating stockpiles, establishing a treatment facility and safeguarding sites consistent with the country's obligations under the Stockholm Convention.

Project Components	Indicate whether Investment, TA, or STA <sup>b</sup>	Expected Outcomes	Expected Outputs	Indicative GEF Financing <sup>a</sup>		Indicative Co-Financing <sup>a</sup>		Total (\$) c = a + b
				(\$) <sup>a</sup>	%	(\$) <sup>b</sup>	%	
1. Reducing risks and elimination of PCB-containing materials, mainly capacitors.	Investment	Decrease in environmental risks and threat to population's health by safely disposing of PCB-containing materials, mainly capacitors.  Treatment capacity for PCBs and POP-containing waste established in the Republic of Kazakhstan to serve demand in Central Asia for destruction of PCB equipment.	- Repacking, collection, transportation and interim storage of 28,000 tons of capacitors. Use will be made of the storage facilities to be set up by the GEF-financed UNDP-project.  -Final suitable and cost – effective disposal of PCB capacitors outside Kazakhstan or establishment of a cost-effective, centralized disposal facility in Kazakhstan.  Target values: 70% reduction of PCBs in capacitors not yet covered under other programs,	1,500,000		4,000,000		5,500,000

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Select only those focal areas from which GEF financing is requested.

			i.e. 28,000 capacitors.				
2.Reducing risks from POP-containing pesticides	Investment	Decrease in environmental risks and threat to population's health by safely managing and disposing of stockpiles of POP-containing pesticides and enhancing public awareness and farmers' knowledge on POPs pesticide hazards and reduced reliance.	-Repackaging, transport and storage of POP-containing obsolete pesticides  -Final suitable and cost – effective disposal of pesticides (utilizing disposal methodology determined under component 1.)  -Public awareness and enhancing farmers' knowledge on POPs pesticide hazards and reduced reliance.  Target value: Destruction of 80% <sup>3</sup> of POP-containing obsolete pesticides, i.e., 8,000 tons.	7,000,000		16,000,000	23,000,000
3. Removing barriers for regional treatment facility for POPs	TA	Providing opportunities for helping neighboring Central Asian countries with the treatment and final disposal of PCBs and POP-containing pesticides.	Assessment of feasibility and obstacles for offering a regional facility in Central Asia for treatment of POPs  Removing barriers for integrated management POPs.	600,000			600,000
4 Remediation of PCB and POP-pesticides contaminated sites and removal of PCB waste and packed POP-containing pesticides	Investment	Demonstration of clean-up of incidentally contaminated sites, thereby eliminating risks to public health and local population.  Removal of quantities of POPs waste in equipment and discrete packaging from these sites, for safe disposal.  Benefits from	- Inventory and Risk Assessment of PCB and POP-pesticides contaminated sites  -Removal of all identified dumped PCB and other POPs waste from priority contaminated sites under	950,000		37,050,000	38,000,000

<sup>3</sup> While the overall objective of the program is to remove 100% of the stockpiled pesticides, within the time-frame of the project 80% is deemed as a feasible target.

from contaminated sites		recovered territories as landscapes and agricultural lands.	remediation. -Environmental remediation (soil treatment, containment measures) and partial re-cultivation of priority PCB-contaminated areas of 80,000 ha				
5. Project management, monitoring and evaluation				300,000		2,000,000	2,300,000
<b>Total project costs</b>				A10,350,000		B59,050,000	69,400,000

<sup>a</sup> List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

<sup>b</sup> TA = Technical Assistance; STA = Scientific & Technical Analysis.

**B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME (in parenthesis) if available, (\$)**

Sources of Co-financing	Type of Co-financing	Project
Project Government Contribution	Cash	23,050,000
World Bank	Loan	34,000,000
Private Sector	In kind	TBD
Ust-Kamenogorsk Environmental Remediation Project (UK-ERP)*	Loan	2,000,000
<b>Total Co-financing</b>		<b>B 59,050,000</b>

\* Parallel financing supports the rehabilitation of the Condensor Plant Sludge pond in Ust-Kamenogorsk to minimize and eliminate the infiltration of PCB- contamination in the groundwater.

**C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)**

	Previous Project Preparation Amount (a) <sup>4</sup>	Project (b)	Total c = a + b	Agency Fee
GEF financing		A 10,350,000	10,350,000	1,035,000
Co-financing		B 59,050,000	59,050,000	
<b>Total</b>		69,400,000	69,400,000	1,035,000

**D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>**

GEF Agency	Focal Area	Country Name/ Global	(in \$)		
			Project (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				

<sup>4</sup> Include project preparation funds that were previously approved but exclude PPGs that are awaiting for approval.

(select)	(select)				
<b>Total GEF Resources</b>					

<sup>1</sup> No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

<sup>2</sup> Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.

## **PART II: PROJECT JUSTIFICATION**

### **A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

The Republic of Kazakhstan is cited, among Eastern and Central European countries, as having the second highest volume of wastes containing persistent organic pollutants (POPs) (more than 250,000 tons<sup>5</sup>), with the Russian Federation having the largest presence of POPs wastes. The NIP identifies eight hot-spot sites polluted with PCBs: (i) Ust-Kamenogorsk Capacitor Plant territory<sup>6</sup> (Ablaketka village) and river banks; (ii) the storage pond of the Ust-Kamenogorsk Capacitor Plant (Polychlorinated biphenyls (PCBs) were used in industrial production from 1958 through 1990 at the Ust-Kamenogorsk capacitor plant as liquid for filling capacitors and relatively large volumes of PCB-containing sludge and equipment were dumped at the site.); (iii) Ekibastuz City power substation area; (iv) Derzhavinsk polygon for military machinery destruction; (v) Zhangiztobinsk polygon for military machinery destruction; (vi) the territory of former military facilities in northern Pri-Balkhash; (vii) Kostanai City power substation area; and (viii) Pavlodor Chemical Plant. Preliminary inventories of PCBs and PCB-containing equipment indicate that Kazakhstan has approximately 116 transformers and 56,000 capacitors containing about 1,500 tons of PCBs.

With regard to estimates of obsolete pesticides, an estimated 10,000 tons<sup>7</sup> of obsolete pesticides are stored in warehouses all over the country. Many of these pesticides are stored in unsuitable, dilapidated structures with leaking roofs which are several decades old, and other unsound storage conditions. Preliminary inventories were carried out in 20% of the country and identified 1,500 tons of obsolete pesticides in storehouses (excluding pesticides that are likely to have been disposed of in general waste dumpsites). A reasonable estimate of the percentage of POPs in these pesticides is difficult to determine given that large volumes of pesticides are not properly labeled and only limited sampling has been carried out. The NIP provides a rough estimation of 15% POPs in pesticides based on the preliminary inventories referred to above. International representative sample analysis indicates that the average amount of POPs pesticides out of the total stock of obsolete pesticides is about 20 to 30%.

The Republic of Kazakhstan has only recently begun to become fully aware of the risks associated with POPs in the country. Public awareness of POPs, including their formation and the harmful effects that POPs pose to human health and the global environment, is generally low. Kazakhstan currently has no existing sound technologies or facilities that can treat POPs materials. It has no history of POPs management, nor a well-established and functioning system for POPs management. POPs management is fragmented among the Ministry of Environmental Protection (MEP), Ministry of Agriculture (MoA), and Ministry of Health. Kazakhstan also does not have specific legislation on POPs waste management. The country's Law on Environmental Protection (1997) outlines the general structure for environmental protection activities, but does not cover POPs. Emission and disposal standards for POPs do not exist and oversight is limited. The MEP, which is responsible for overseeing implementation of the Stockholm Convention, is requesting GEF funding. It will, in coordination with the MoA and Ministry of Health, be the primary implementing agency for a national program supporting the phase-out of POPs.

The significant risks to human health and to the environment posed by the unsound management of PCB-containing equipment and PCB and obsolete pesticide stockpiles have increasingly become a major source of concern to the Government of Kazakhstan (GoK). The GoK is increasing efforts to support the progressive phase-out and elimination of POPs wastes. In 2003, an inventory of chemicals with POPs characteristics was conducted. In June 2007, Kazakhstan ratified the Stockholm Convention on Persistent Organic Pollutants, thereby obligating itself to: (a) reduce, and if possible eliminate, releases of the 12 most dangerous pollutants - the "dirty dozen" identified in the Convention; and (b) develop an action plan to facilitate implementation of the Convention. To fulfill its obligations under the Convention, the MEP commissioned, on behalf of the GoK, a preliminary NIP to guide the removal or containment of POPs and minimize the generation of these hazardous materials to acceptable levels. The NIP is based on the results of the 2003 inventory and broadly maps the major sources and hot-spots of POPs contamination. It also highlights the need for information, policies, legislation, coordination among stakeholders, funding, and investments to manage these problems in accordance with the Stockholm Convention. It covers an implementation program of roughly 20 years with a focus on four different areas: (i)

<sup>5</sup> National Implementation Plan of the Republic of Kazakhstan on the obligations under the Stockholm Convention on Persistent Organic Pollutants.

<sup>6</sup> Ust-Kamenogorsk has been rated the third most polluted city in the former Soviet Union. The 1999 National Environmental Action Plan identified remediation of industrial pollution in the city as a priority action.

<sup>7</sup> CEPS, Special Report, International HCH & Pesticides Association, May 2009

obsolete and unwanted pesticides; (ii) PCB-containing operation equipment; (iii) PCB-containing waste (dioxin and furan releases); and (iv) other sources of POPs, such as POPs-polluted territories.

In late 2007, the MEP endorsed a UNDP submission for GEF funding of a program to enhance technical capacity for the management, safeguarding and disposal of PCBs. The GEF approved this program (FSP) for Work Program entry in December 2007. The UNDP-GEF project focuses on management, safeguarding and disposal of 116 transformers and 2,000 to 3,000 capacitors in Kazakhstan. Since the conditions and type of equipment and waste, as well as the areas where this equipment and waste are located, are varied and complex in a country the size of Kazakhstan, and the amount of GEF resources that have recently been allocated for such a large country with a vast number of legacy issues are limited (Kazakhstan being the second most contaminated country in the ECA region after the former Soviet Union), substantially greater resources will be required to decrease environmental and health risks as well as ensure proper and cost-effective final disposal for the majority of stockpiles of PCB-waste, PCB-equipment and POP-containing pesticides. The table below provides an overview of the capacitors, transformers and pesticides present in the country and the status of safeguarding support provided by different actors.

	Originally present	Exported by GoK in 2007	Exported by GoK in 2008	Collected and targeted for export by GoK	UNDP-GEF	World Bank/ Republic of Kazakhstan/GEF
Capacitors	56,000	1,000	4,000	10,000	2,000-3,000	40,000
Transformers (#)	116				116	
Pesticides (tons)	10,000					10,000

As the majority of the capacitors and pesticides are targeted for safe destruction, the Ministry of Environmental Protection has requested the World Bank to support investments in the final treatment of PCB waste and POP-containing pesticides in Kazakhstan, preferably by setting up a central facility in the territory of Kazakhstan and the remediation of priority PCB contaminated sites. The proposed project will be fully blended with a World Bank loan of US\$34 million to the Republic of Kazakhstan and will have three main objectives: (i) implement environmentally-sound and cost-effective techniques for safe disposal and elimination of PCB waste and PCB-containing equipment not yet targeted by other programs; (ii) reduce environmental and health risks by safely disposing of stockpiles of POP-containing pesticides; and (iii) support Kazakhstan in meeting its obligations under the Stockholm Convention so it can contribute to global efforts to control toxic chemicals, in general, and eliminate releases from PCBs and obsolete pesticides, in particular.

The proposed blended investment program will have five components:

1. Reducing risks and elimination of PCB-containing materials, mainly capacitors (US\$5.5 million, including GEF financing of US\$1.5 million) Component activities will include:
  - Repacking, collection, transportation and interim storage of 28,000 tons of capacitors (financed by World Bank loan and Republic of Kazakhstan). Storage facilities to be set up by the GEF-financed UNDP project will be utilized.
  - Final suitable and cost-effective disposal of PCB capacitors outside Kazakhstan or establishment of a cost-effective, centralized disposal facility in Kazakhstan.
2. Reducing risks and elimination of POP-containing obsolete pesticides (US\$23.0 million, including GEF financing of US\$7.0 million). Component activities will include
  - Repackaging, transport and storage of 8,000 POP-containing obsolete pesticides.
  - Final suitable and cost-effective disposal of pesticides outside Kazakhstan or establishment of a cost-effective, centralized facility in Kazakhstan.
  - Public awareness and enhancing farmers' knowledge of POPs pesticide hazards, and reducing reliance on POP-containing pesticides.
3. Removing barriers for regional treatment facility for POPs (US\$600,000, fully financed by the GEF)
  - Feasibility assessment of establishment and operation of a regional facility in Central Asia for treatment of POPs.
  - Removal of policy barriers to support better integrated management of POPs.
4. Remediation of PCB and POP-pesticides contaminated sites using biological methods (US\$38 million, including GEF financing of US\$950,000)
  - Inventory and Risk Assessment of the PCB and POP-pesticides contaminated sites.

- Repackaging of PCB-containing equipment and old packaging of pesticides dumped on contaminated waste disposal sites
  - Environmental remediation (soil treatment, containment measures, removal of PCB and POP containing waste), including demonstration pilot projects, and partial re-cultivation of priority contaminated areas in the 80,000 ha of territories that include these contaminated sites. The priority sites will be determined during the site investigations that will assess the risks posed to population and environment.
5. Project Management and Monitoring and Evaluation (US\$2.3 million, including GEF financing of US\$300,000)
- Monitoring and evaluation of outcome indicators and results.
  - Administration of project activities, including procurement, financial management, and reporting.
  - Knowledge sharing workshops, seminars on cost-effective containment, and remediation technologies.

The project builds on UNDP's efforts to safeguard the stockpiles of 116 transformers and 2,000 to 3,000 capacitors and to carry out demonstrations to remove barriers with proper management. With regard to obsolete pesticides, the project draws upon the FAOs pesticides inventory.

The total project budget will be determined during project preparation; however, it is currently estimated between US\$60 to \$80 million with the main sources of financing provided by the GoK Republican budget, a World Bank loan and the GEF Grant. Project preparation is expected to begin in 2010 with approval envisaged for 2011 and an implementation period of six years (2012-2018).

Feasibility studies are a key part of project preparation. In view of the scale and complexity of the project, special attention has been paid to the appropriate funding of these studies. The following studies are envisaged:

(I) *Inventory and Option Study for PCB Management funded by the Canadian POPs Trust Fund (Bank executed)*: An application for US\$400,000 was approved in mid June 2008. The pre-feasibility study focuses on the identification, investigation and recommendation of containment, treatment and disposal options for PCB equipment, PCB contaminated sites and POP-containing pesticides. The feasibility study takes into account local conditions, material properties, technical and logistical issues (i.e., permitting and transport licenses for treatment inside and outside of Kazakhstan) and costs, health aspects and operational/organization requirements, based on environmental, technical and economic analyses, in order to provide comprehensive information that would allow Kazakhstan's relevant decision-makers to make informed decisions on an environmentally, economically and socially feasible clean-up program for POPs, in particular PCB equipment, contaminated sites and obsolete POP pesticides. The study's scope includes: (a) Preparation of a comprehensive inventory of PCB contaminated sites; (b) Preparation and implementation of a site investigation program for identified PCB contaminated sites, including pollution mapping and risk assessment; (c) Conceptual Design and Remediation Program for identified contaminated sites; (d) Preparation of a technical feasibility study examining pre-treatment, transport and storage and final disposal options for PCB-containing equipment that is not covered under the UNDP/government program; (e) Preparation of a conceptual design and implementation plans for the disposal and treatment of PCB equipment, PCB-containing wastes, etc.; and (f) Inventory Assessment of analysis of disposal and management options for obsolete POP-containing pesticides.

(II) *Project Preparation Study for final selection process of treatment and disposal solutions for PCB-containing equipment and POP-containing pesticides*. Building on the Inventory and Option Study carried out under the Canadian Trust Fund, a Project Preparation Grant will be used to finance a feasibility study to assess and select the appropriate disposal solution for POP-containing obsolete pesticides, remaining PCB equipment and quantities of PCB waste from contaminated sites. As such, a Recipient-executed GEF PPG is concurrently being requested in the amount of US\$340,000 to fund this study. Part of the proceeds of the GEF PPG would also support the establishment of a monitoring and evaluation framework. The GEF study will be co-financed by the Government of Kazakhstan and will include an Environmental Impact Assessment.

The anticipated global benefits of this project include the: (i) reduction of ongoing human health and environmental threats from POPs, through the prevention of future releases of POPs into the environment; and (ii) establishment of a structured and well-managed infrastructure for ensuring the proper containment and disposal of POPs.

## **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:**

The Project is in line with national environmental policies which focus on reducing pollution and eliminating related pressures and impacts to the natural and human environment. It is consistent with the: (a) National Implementation Plan; (b) 2004-2015 Concept for Environmental Safety; (c) 2007-2024 Concept for the Transition of the Republic of Kazakhstan to Sustainable Development; and (d) 2008-2010 National Program on Protection of the Environment of the Republic of Kazakhstan. Priorities identified in the 1999 National Environmental Action Plan (NEAP) to be addressed by the proposed

Project include: (i) prevention of further migration of pollutants from contaminated sites; (ii) protection of drinking water; and (iii) support of improved environmental management in industrial enterprises. The proposed Project is also consistent with the goals of the 2004 Country Partnership Strategy (CPS) between the Government of Kazakhstan and the World Bank, which identified environmental initiatives to support improvements to quality of life for current and future generations and includes environmental protection as one of four pillars for sustainable economic growth. The Project builds on the existing close cooperation between the Ministries of Environmental Protection, Health, Agriculture, and Industry and Trade, as well as Academic Institutions, NGOs, and the private sector. It is also expected to build on and enhance the growing environmental awareness among industrial companies, as well as cooperation between industries and government in the implementation of environmental remediation measures. It will also complement the current UNDP-supported project, which is focusing on enhancement of technical capacities for management, and safeguarding and disposal of some of the stockpile of PCBs. The proposed activities therefore support the Government's plans (outlined in the country's Environmental Code and Kazakhstan Concept of Sustainable Development) for managing POPs wastes with a view to make significant contributions to sustainable economic development and protect the environment.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:**

The proposed project directly responds to the strategic goals of the GEF-4 strategy in this focal area, namely reduction and elimination of the production, use and release of POPs to protect human health and the environment, and, more generally, to strengthening capacity for the sound management of chemicals. As such, it is consistent with GEF-4 Focal Area Strategic Program #2, which targets interventions required for NIP implementation, as well as Strategic Program #3, which supports partnering in the demonstration of feasible, innovative technologies and best practices for POPs reduction.

**D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES:**

The financing support provided will be in the form of a grant. This is justified by the lack of government budgetary resources to address the hazards of POPs at a scale that the project would make possible. However, the Government will provide in kind and cash co-financing for the project.

**E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

The GoK has established partnerships with several donors including the World Bank, the EU and UNDP in the area of environmental management, including POPs management, that have resulted in other ongoing initiatives. The World Bank and EU funded Ust-Kamenogorsk Environment Remediation Project was approved in February 2008 and became effective in 2009. The project addresses environmental pollution linked to industrial hazardous waste accumulated before 1990. It supports remediation of historic industrial waste disposal sites, including a pond with PCB equipment and waste, to protect the groundwater systems around the city of Ust-Kamenogorsk and prevent further migration of contaminated groundwater to the Irtysh River. The Project will finance containment measures, but does not include investments to separate PCB equipment from the waste materials and eliminate PCBs. In December 2007, GEF approved a UNDP submission (endorsed by MEP) for GEF funding of a program to enhance technical capacities for management, safeguarding and disposal of PCBs. Under this program, technical assistance will be provided to perform inventories, raise awareness with stakeholders, handle the legal aspects of PCB management and enforcement, and support activities for decontamination and disposal of PCB equipment (116 transformers and 2,000 to 3,000 capacitors). The project team has coordinated with UNDP to ascertain that the proposed Project is complementary to the program that UNDP is implementing without gaps or overlaps in terms of type and volume of PCB equipment and scope of activities. For this purpose, a Steering Committee has been established consisting of the key ministries dealing with POPs, namely the Ministries of Environmental Protection, Health, Agriculture, and Economy and Budget Planning, and UNDP and the World Bank.

**F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH [INCREMENTAL REASONING](#) :**

There have been some specific and targeted efforts to address PCBs in Kazakhstan; 1,000 capacitors were repackaged and exported to an incinerator in Germany in 2007. In 2008, approximately 4,000 capacitors were repackaged and exported by GoK. Without this project (the baseline scenario) and without the GEF's support, it is unlikely that the country will be able to initiate implementation of the NIP in the next two to three years due to the respective ministries lack of experience in safe POP disposal, which could put Kazakhstan at risk of non-compliance with the Stockholm Convention. Furthermore, given the country's inexperience with appropriate and safe handling and disposal of PCBs, there is a risk of mismanagement of PCB disposal and treatment. Likewise, a concentrated effort to actively start POPs elimination, which would significantly reduce this threat to public health, as well as recover contaminated lands, would be unlikely to happen in the short term. The GEF grant can play a catalytic role in the government's implementation of project activities to address POPs risks. Availability of GEF funding would also provide the leverage necessary to secure additional funds from the GoK. PCB waste

and equipment disposal approaches and facilities require a wide spectrum of expertise. Kazakhstan lacks sufficient technical resources and knowledge for effective PCB management. Without this proposed project, innovative approaches – recovery and promotion of sustainable industrial and agricultural practices, and other activities to remediate polluted sites – would be considerably limited if not non-existent. GEF funding, however, would provide the necessary international expertise and skills to establish an environmentally sound PCB disposal system in Kazakhstan. PCB management is costly and disposal facilities that meet the requirements of the Stockholm Convention are not available in Central Asia. Solutions identified for Kazakhstan as the most feasible and cost-effective for POPs disposal could be replicated in other countries in the region and would therefore help reduce the transboundary movement of PCBs regionally and globally, which in turn would reduce the negative impacts on the environment and public health in the region. In summary, GEF incremental support would assist the Government in protecting the population’s health and the environment at local and regional levels.

**G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MITIGATION MEASURES THAT WILL BE TAKEN:**

The main risks potentially affecting the project include: (i) relationships between the Ministry of Environment Protection (the implementing agency) and military institutions and (public and private) entities managing PCBs may not be conducive to adequate and appropriate coordination. The experience of the Ust-Kamenogorsk project indicates that cooperative relationships between the implementing agency and local enterprises located in polluted areas are key for successful project implementation. This risk can be minimized by involving local governing bodies – akimats – in project implementation; and (ii) insufficient funding to significantly decrease the risks generated by POPs to public health and to sustain project interventions (for example, in the event there are insufficient funds from the Republican Budget for the proposed project). The project’s financing scheme supported by the GEF grant as well as the co-financing will allow long-term revenue generation if the equipment procured under the project is used to address the same problems faced by neighboring countries.

**H. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

It is difficult to determine the overall cost-effectiveness for this project, as the precise quantities of the POP-content in the PCB and pesticide stockpiles have not yet been established. Identification and development of cost-effective solutions for the disposal of POPs in Kazakhstan is a key objective during project preparation, for which a PPG is being requested. This will also be investigated thoroughly with the assistance of a Canadian Trust Fund. One of the objectives of the project is to design and launch a cost-effective, institutionally sound, and financially feasible treatment and final disposal program and based on this experience, transfer the knowledge gained to other countries in the region.

**I. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:**

The proposed project is an investment operation and is consistent with the comparative advantage of the World Bank, as stipulated in the Comparative Advantage matrix. The World Bank’s comparative advantage for the GEF is as a leading international financial institution at the global scale in a number of sectors. In addition, the Bank currently has several projects under implementation in a number of regions, linked to POPs management, including those focusing mainly on POPs pesticides in Moldova, China and Africa. The Bank has the unique advantage of transferring experience between countries and regions to the benefit of its clients.



**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 [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE
Mr. N. Ashimov	Minister	Environmental Protection	July 30, 2009

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

 Steve Gorman GEF Executive Coordinator The World Bank	Angela Armstrong, GEF Regional Coordinator Tel. and Email: (202) 458-0975 <a href="mailto:aarmstrong@worldbank.org">aarmstrong@worldbank.org</a>  Frank van Woerden, Task Team Leader Project Contact Tel. and Email: (202) 473-3703, <a href="mailto:fvanwoerden@worldbank.org">fvanwoerden@worldbank.org</a>
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**GEF Trust Fund PIF Preparation Guidelines**  
(This template is applicable to both FSPs and MSPs)

**Unlocking instruction:** The template, by default, is locked to allow the pull-down menu to function. However, in order to access the various documents through the hyperlink, the template has to be in an unlocked form. To unlock the template follow this path: Go to **View > Toolbars > Forms**. You will then see a pop up menu



Click on the right most icon (a lock) to unlock.

When inputting information in the fields in the template, please use the “locked” mode.

**Length of PIF Submission:** We recommend the PIF to be as short as possible (4-8 pages), excluding Part III of the template.

**Submission date:** self explanatory

**PART I: PROJECT IDENTIFICATION**

The first part is the project core information and standard selections are provided to the extent possible for ease of preparation. The Strategic Programs for each focal area have to be filled in manually, due to limitations by Microsoft Word which prevented the provision of the full range selections for all focal areas through a pull-down menu. For convenience, the strategic programs (SP) in each focal area are listed below. Please write exactly as indicated below. For example, fill in **BD-SP1-PA**, not just SP1 or any other combination.

<b>Biodiversity</b>	<b>Climate Change</b>	<b>International Waters</b>	<b>Land Degradation</b>	<b>POPs*</b>	<b>ODS*</b>	<b>SFM*</b>
<b>BD-SP1-PA</b> Financing	<b>CC-SP1-</b> Building EE	<b>IW-SP1-</b> Coastal Marine Fisheries	<b>LD-SP1-</b> Agriculture	<b>POPs-SP1-</b> Capacity Building	<b>ODS-</b> <b>SP1</b>	<b>SFM-SP1-</b> Financing
<b>BD-SP2-</b> Marine PA	<b>CC-SP2-</b> Industrial EE	<b>IW-SP2-</b> Nutrient Reduction	<b>LD-SP2-</b> Forest	<b>POPs-SP2-</b> Investment		<b>SFM-SP2-PA</b> Networks
<b>BD-SP3-PA</b> Networks	<b>CC-SP3-</b> RE	<b>IW-SP3-</b> Freshwater Basins	<b>LD-SP3-</b> Innovation	<b>POPs-SP3-</b> Demonstration		<b>SFM-SP3-</b> LULUCF
<b>BD-SP4-</b> Policy	<b>CC-SP4-</b> Biomass	<b>IW-SP4-</b> Toxics/Ice				<b>SFM-SP4-</b> Policy
<b>BD-SP5-</b> Markets	<b>CC-SP5-</b> Transport					<b>SFM-SP5-</b> Markets
<b>BD-SP6-</b> Biosafety	<b>CC-SP6-</b> LULUCF					<b>SFM-SP6-</b> Biomass
<b>BD-SP7-</b> Invasive Alien Species (IAS)						<b>SFM-SP7-</b> Forest
<b>BD-SP8-</b> ABS- Capacity Building						

\* POPs = Persistent Organic Pollutants; ODS = Ozone Depleting Substance; SFM = Sustainable Forest Management

**Indicative Calendar:** Firstly, it is well understood that the dates are subject to change as new developments unfold. The expected CEO endorsement date for FSPs and MSPs will be included in the PIF clearance letter from CEO to the Agencies. In fixing these milestones, please take into account project cycle paper provisions of not exceeding 22 months from PIF/work program approval by Council to CEO endorsement. For MSPs, the maximum is 12 months from the time the PIF is approved by CEO to its final approval. The GEF Management Information System will be sending alerts to the Agencies about a month prior to the dates indicated in the letter to alert Agencies of these impending deadlines. It is therefore advisable that should there be any anticipated delay in the endorsement/approval date, Agencies should inform GEFSEC immediately and seek GEF CEO’s agreement to the new dates/milestones. For all other dates on the template (i.e. Agency approval, Mid-term review, etc.), Agencies should inform GEFSEC of any deviation from those indicated in the PIF template so that the GEFSEC database could be updated to reflect the changes. Agencies should also indicate any change in the milestone dates in its annual implementation reports submitted to GEFSEC. In order to avoid confusion on the various terms under the Indicative Calendar section, please refer to the definitions below:

**GEF Agency Approval** - The date on which the GEF Agency Board or Management approves the Grant proposal. This is equivalent to the WB's Board approval date, UNDP's Project Document signature date, or IFAD's approval date.

**Implementation Start** - The date on which project becomes effective and disbursement can be requested. This is the equivalent to the WB's grant/legal agreement effectiveness date and UNDP's Project Document Signature Date. This is also the trigger date for the Trustee to allow Agencies to apply for disbursement.

**Project Closing** - This is the date when all project activities are financially committed, but not necessarily all disbursements completed. Generally, Agencies provide a grace period of 6 months, or more, for final disbursement after project closing, but the sums paid may not be increased from the amounts originally committed. Agencies should submit a report to GEFSEC and the Trustee on the financial closure of the project.

A. ***Project Framework***: The main objective of the section is to sketch out the overall design of the project and to provide information about what the GEF grant will finance in relation to other sources of funding.

Since many agencies utilize their own terminology for project design, it is important to clarify what the Secretariat is asking for under each heading. The definitions are based on those developed by OECD/DAC, *Glossary of Key Terms in Evaluation and Results-Based Management* (2002).<sup>8</sup>

**Project Objective** (refers to OECD/DAC *development objective*): intended impact contributing to global environmental benefits via one or more development interventions.

**Outcomes**: The likely or achieved short-term and medium-term effects of an intervention's outputs (e.g. energy efficiency of existing heat and hot water supply companies in X city improved, new trust fund for the conservation of the PAs established, laws and bylaws approved to reduce impact of forestry practices on biodiversity)

**Outputs**: The products, capital goods and services which result from a development intervention, and are relevant to the achievement of outcomes. Outputs should be as concrete as possible at this stage; if it is not possible to give a discrete number for quantitative outputs providing a quantitative range would be helpful (e.g. x-staff trained to operate and maintain an early warning system, data capture in x-regions of coastal lowlands).

The **Project Component** is the division of the project into its major parts; an aggregation of a set of concrete activities (e.g. strengthening regulatory and legal frameworks, introduction of innovative financial mechanisms, investment to overcome financial barriers to energy efficient technologies, institutional capacity building)

The **indicative financing of the project** should be broken down by Project Component. For each component also indicate whether it is of investment in nature, technical assistance, or scientific and technical analysis. Here, A=Indicative GEF Financing; B=Indicative Co-financing.

The percentage under the indicative GEF and co-financing is the percentage of GEF or co-financing of the total amount for the component, i.e. the amount listed under GEF and Co-financing for a particular component should add up to 100% of the component total (add horizontally).

B. ***Indicative Co-financing for the project by source and by name (in parenthesis, if available), (\$)***: Indicate the estimated sources of co-financing by the co-financing source categories listed in the first column. Sources indicated are general categorization of co-financiers at this stage. However, if more specific information on the names of co-financiers is available, please include the names after the category (in parenthesis). In the column on types of co-financing, please pull down menu to select whether the co-financing is a grant, soft loan (or concessional loan according to OECD classification), hard loan, guarantee, in-kind contribution or unknown at this stage. B= Indicative Co-financing.

C. ***Indicative Financing Plan Summary for the Project (\$)***. Provide the total indicative GEF grant and co-financing amounts. Please note that the co-financing amounts do not receive an Agency fee. In the project preparation column (the 2<sup>nd</sup>), please include preparation funding received previously either through PDF-A or PDF-B and indicate as a footnote on whether the grant is given under GEF-3. This template excludes the reporting of new PPG amount, either submitted together with PIF or to be submitted at a later date. Total amount column is the sum of previously funded project preparation grant and the project grant and does not include Agency fee. The last column on Agency fee is calculated based on the total amount in the previous column. In providing Agency fee amount, especially in Table D where there is split between/among Agencies, the rule is that total amount should not exceed 10% following the Fee Policy provisions. If for whatever reason the amount is less than 10%, please provide explanation since we will follow whatever amount Agency requested as long as it is within the 10% limit. The explanation should be included

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<sup>8</sup> The full glossary in English, French and Spanish is posted on the following website:  
<http://www.oecd.org/dataoecd/29/21/2754804.pdf>

in the cover letter that accompanies the submission of PIF to GEFSEC. A=Indicative GEF Financing; B=Indicative Co-financing.

- D. GEF Resources requested by Agency (ies), focal area(s) and country (ies): This table provides the share of the project amount by focal area, Agency and country. No project preparation grant is included in this table as the preparation grant amount is captured separately in the PPG template. For biodiversity and climate change focal areas, this section provides the amount of resources used by the country from its RAF allocation. For non-RAF focal areas, leave 3<sup>rd</sup> column blank. For single country, single focal area and single Agency implemented projects, this table should be skipped.

## **PART II: PROJECT JUSTIFICATION**

- A. When discussing the issue, state the background and baseline, discuss how the project seeks to address it (GEF alternative), and the expected value added of GEF involvement and global environmental benefits to be delivered (incremental reasoning).
- B. State if the proposed project is consistent with country/regional priorities and how it builds on ongoing programs, policies and political commitments. Responding to this question will also show country ownership of this project.
- C. Describe the project's consistency with the GEF focal area strategies and fit with strategic programs. All projects have to be consistent with the focal area strategies to be eligible for GEF financing.
- D. Justify the type of financing support with resources provided by the GEF. For instance, explain the rationale to provide a loan rather than a grant, or setting up of revolving funds, etc.
- E. Describe the coordination with other GEF agencies, organizations, and stakeholders involved in related initiatives; if similar projects exist in the same country/region, including GEF projects, report on synergies/complementarity with this proposal and demonstrate that there is no duplication.
- F. Refer to the June 2007 Council paper on incremental reasoning which is linked to this section. The objective is to describe the situation that would happen without GEF support and what would be the expected change in global environmental benefits. This differs from Section A in the sense that the former describes what the project will deliver while this section describes the question: what if there is no GEF support?
- G. The objective is to ensure that in designing the project, all risks, including climate change risk have been taken into consideration and that proper measures are in place and that the project is resilient to climate change. Please outline the risk management measures, including improving resilience to climate change, that the project proposes to undertake.
- H. Demonstrate that the selected project design is the best use of the GEF funding for achieving the global environmental benefits described in the project (e.g. \$/ton of CO<sub>2</sub> abated). One way of showing the proposed project is cost-effective is to demonstrate alternatives that may not be as cost effective. If cost-effectiveness is not presented at PIF, outline the steps that project preparation would undertake to present cost-effectiveness at CEO endorsement.
- I. Use the matrix of comparative advantage as a guide (a link to the paper is provided). If the GEF Agency is within the comparative advantage matrix, please provide a short sentence to justify its comparative advantage. However, if the Agency has good reason to implement the project even though it is outside the comparative advantage matrix for the particular type of project that it is proposing, the Agency should provide more detailed justification in this section.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(CIES)**. (The following sections are signatures of respective authorities and do not count as the four-page limit to the PIF).

- A. Record of endorsement of GEF Operational Focal Point (s) on behalf of the government. Please add fields to this section if more than one country is involved in the project. There are two types of endorsement letters linked to this section: one for regular projects while the other for regional projects, basically to provide a section where detailed information regarding the allocation of the project amount by focal area, by Agency and by country is provided.
- B. GEF Agency(ies) Certification: This section provides Agency's certification to the submission as well as contact information for project.