2022

Project Implementation Report (PIR)

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Stage II PCB Management Plan in Mexico

A. Basic Data

Project Information	
UNDP PIMS ID	5479
GEF ID	9214
Title	Environmentally Sound Management and Destruction of PCBs in Mexico: Second Phase
Country(ies)	Mexico, Mexico
UNDP-NCE Technical Team	Chemicals & Waste
Management Arrangements	CO Support to NIM
Project Implementing Partner	Government
Joint Agencies	*(not set or not applicable)*
Project Type	Full Size
Implementation Status	3rd PIR
GEF Fiscal Year	FY22
Trust Fund	GEF Trust Fund

Project Description
(not set or not applicable)

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B. Overall ratings

Overall DO Rating	Moderately Unsatisfactory
Overall IP Rating	Moderately Unsatisfactory
Overall Risk Rating	substantial

C. Development Objective Progress

It is mandatory for all reported progress to be substantiated by evidence. Please upload evidence files for each objective/outcome via the DO PROGRESS section in the online PIR platform. If there is no evidence to upload, the Project Manager is required to provide an explanation.

Description					
Objective **Minimize the risk of exposure from PCBs to humans and the environment, while promoting Mexico´s timely compliance with the Stockholm Convention requirements for PCB management, including convention decommissioning and destruction provisions. The project will eliminate 5,000 MT of PCB containing equipment**					
Description of Indicator	**Baseline Level**	**Midterm target level**	**End of project target level**	**Level at 30 June 2021**	**Cumulative progress since project start**
Metric Ton of PCBs containing equipment eliminated	PCBs inventory (2015), total of 32,000 Mt of PCB contaminated equipment estimated from feasibility study (Phase 1)	2,000	5,000	One of the most representative PCB owner companies is the CFE (Federal Electricity Commission), which up to 2020 destroyed 432 tons and currently keeps 157 tons in equipment that is still in operation. In the period of this report, they eliminated 20 tons. The PCU found an underreporting of PCB owners to the environmental authority because CFE submits annual written reports not incorporated into the authorities' databases, and probably this situation extends to other companies. Therefore, the inventory confirmation consultancy will analyze data from governmental sources and organize them to rationalize the existing databases by the second half of 2021. During the fourth quarter of 2021, the PCU will update the Institutional	During the reporting period, 40.89 metric tons (MT) were eliminated, which added to the 432 MT previously reported, gives a cumulative total of 472.89 MT of PCBs in the country. The volume destroyed during the period of this report is broken down below: a) 15.62 MT from 13 CFE business units, in the second half of 2021 and 0.51 MT of PCBs in 2022. The CFE has destroyed a cumulative total of 448.66 MT of PCBs as of June 2022. b) Silicatos y Derivados S.A. of C.V. Tlalnepantla plant eliminated 0.77 tons (August 2021). c) Industrial Minera Mexico, S.A. of C.V. eliminated 11.84 tons of PCBs (December 2021). d) Ingenio Quesería S.A. of C.V.

				System of the Verification Registry (SIREV) of the Federal Attorney's Office for Environmental Protection (PROFEPA) to develop a software algorithm that includes a specific module for Polychlorinated Biphenyls and promotes their traceability by the second half of 2021. The project established a strategy to search for equipment contaminated with PCBs through the information generated in the inventory developed in the project's first phase. The inventory identified schools and educational centers as sensitive sites in the first place and water utilities and companies with different commercial activities, among others. In this sense, the PCU prioritizes contacting relevant actors and groups to sign Letters of Intent that formalize their collaboration and willingness to sample their equipment and manage the retrofilling or destruction in case of contamination with PCBs. The strategy includes action in the states of the Republic that the inventory of the first phase identified with more tons of PCBs through sampling and chemical analysis. In the Project's second stage, local authorities, study centers, and companies respond quickly to the collaboration and others that require	eliminated 0.31 MT (December 2021). e) Seven companies eliminated 8,665 MT of PCBs in the second half of 2021. f) Four companies eliminated 3,172 MT of PCBs during the first half of 2022. The updating of the Institutional System of the Verification Registry (SIREV) of the Federal Attorney's Office for Environmental Protection (PROFEPA) has also been designed, which will allow monitoring of exported PCBs for their environmentally appropriate destruction. Currently, PROFEPA is reviewing the scope of the planned collaboration of the project in this update in the short term. On November 10, 2021, the review, debugging and updating of the PCB inventory registry began at the national level. To select the 250 transformers to be sampled, the same methodology applied in the BPC-2012-1st Stage inventory and that of the National Institute of Statistics and Geography (INEGI) was used to select the states with the greatest potential to find equipment contaminated with PCBs, with 50% sampling at industrial sites and the other 50% at sensitive sites. The samples were analyzed for the in-site determination of the presence of PCBs and with gas chromatography

				more time to count on them. In addition, updating the 2015 inventory pretends to ratify contaminated equipment, based on the changes derived from the economy and epidemiological restrictions due to the Covid-19 pandemic that has led to the closure of companies and sensitive sites. 219 transformers have been identified (190 at CONALEP, 9 at the San Luis Potosí mine, and 20 at the Zacatecas mine). During this period report, the PCU made progress in locating equipment at sensitive sites and companies that can be sampled and chemically analyzed to determine whether they are susceptible to destruction as of the second half of 2021. The PCU has focused the activities on making the proper arrangements to settle conditions for the coming stages for destruction and decontamination, between others: During the reporting period, the PCU signed 5 Letters of Intent with the CONALEP (including its 308 campuses, 14 July 2020); with the San Luis Potosí and Zacatecas business units of the company Minera México S.A. de C.V. (13 July 2020); the Mexico City Environment Secretariat (October 2020); the Municipality of	to establish the concentration of PCBs. The laboratory that analyzed the samples is accredited by the Mexican Accreditation Entity (EMA) and authorized by PROFEPA, this guarantees the validity of the results, in accordance with NOM-133-SEMARNAT-2015. To obtain the samples, 3,115 companies and sensitive sites were contacted, through 6,200 telephone calls and more than 1,700 emails, but the participation of 71 companies and sensitive sites was achieved, that is, there was a participation rate of 2%. During the process of ratification and updating of the PCB inventory, 285 samples of dielectric oil were analyzed, 76% of the samples were from companies and 24% from sensitive sites. Of the 285 samples analyzed, it was determined that 97% have a concentration of less than 50 ppm of PCBs, 2% have more than 50 ppm, of which 0.7% have more than 500 ppm and 1% it was not possible to determine its concentration by contamination of the sample. In summary, 2% of the 285 samples of dielectric oil do not comply with NOM-133-SEMARNAT-2015, however, 93% of the samples analyzed with gas chromatography have at least 1.9 ppm of PCBs. The 285 samples represent 1,124 MT of equipment contaminated with PCBs,

				San Pedro Garza García, Nuevo León (February 2021) and the Environmental Protection Institute of Nuevo León (IPA, 01 June 2021), to reduce health and environmental impacts through the environmentally sound management of PCBs at sensitive sites (universities, hospitals and water treatment plants) and industries. The Project drew up a work programme with all the entities that signed letters of Intent, identified in principle based on their significant potential and the willingness demonstrated. The progress with key actors is: - In August 2020, the PCU received the inventory with 255 transformers from five areas of the Mexico City Water System (SACMEX). The Project agreed with SACMEX to sample between 10 and 20% of its transformers; as soon as the Project contract the service to ratify the national inventory, will take samples and analyses them to find PCB contaminated equipment and destroy dielectric oil during the fourth quarter of 2021. - In November 2020, Sem Trédi sampled 50 transformers out of 160 in University City (CU) of the UNAM, testing with Clor-N-Oil 050 rapid	of which 312 MT are dielectric oils and 6 kg are pure PCBs. These results are preliminary, since it is necessary to continue sampling at least 750 additional transformers to adjust and improve the inventory of PCBs in Mexico. In the next Project Board Meeting decisions will be made to determine the course of the inventory In the second half of 2021, PROFEPA was provided with 250 CLOR-OIL-050 20 kits, personal protection material (250 Tyvek suits, 300 KN95 masks, 600 nitrile gloves, 150 safety glasses and 120 pairs of dielectric footwear) , and sampling material (600 glass jars with lids for oil collection, 50 cardboard boxes, and 2 plastic bags to pack the samples). PROFEPA selected 200 establishments with activities that require a high consumption of electrical energy and are located in 30 states of the Mexican Republic. In this period, the dependency made a total of 203 technical visits in which it reviewed 1,470 transformers, used 231 colorimetric kits of the 250 they received from UNDP. Of the 231 transformers tested, 37 were positive for PCBs and 194 had a negative result (less than 50 ppm). The 37 contaminated equipments represent 250.7 MT and a total volume of 93,418 liters of dielectric oil.

				identification kits. They don't find concentrations above 50 ppm in the field determinations, but Sem Tredi randomly selected ten oil samples for laboratory analysis. - ONSITE Laboratories de México S.A de C.V. received the oil samples for analysis to determine Aroclor PCBs 1242, 1254 and 1260 by the ASTM D4059-00-2010 method, and correlated with the number and serial number of the transformer. The laboratory ONSITE Laboratories de México is accredited by the Entidad Mexicana de Acreditación, A.C (EMA) and approved by the Procuraduría Federal de Protección al Ambiente (PROFEPA). Results for all samples show concentrations below the following detection limits: ▪ Aroclor PCB's 1242: ▪ PCB's 1254 Aroclor PCB's: ▪ PCB's Aroclor PCB's 1260: - In the third quarter of 2020, the San Luis Potosi mining unit delivered its inventory of 15 transformers. The mining unit contracted a company that analyzed each piece of equipment and	In 2022, an agreement was reached with PROFEPA to carry out 250 technical visits to companies and sensitive sites located in the 10 states (Mexico City, Chihuahua, Coahuila, Durango, State of Mexico, Guanajuato, Jalisco, Nuevo León, Puebla and Veracruz). , where the highest concentration of PCBs is recorded. It is known from past experience that small and medium-sized companies have a large amount of contaminated equipment, so they will be given preference in sampling. It was agreed to divide the technical visits in 50% to the industrial sector and the other 50% in sensitive sites (middle and higher schools, food, third level hospitals, shopping malls, water supply wells and airports). In April 2022, UNDP delivered 250 Clor-N-Oil 050 rapid identification kits, in addition to personnel protection material (Tyvek suits, gloves, mouth covers and glasses) and sampling material (glass jars with lids for oil outlet, hermetically sealed plastic bags for waste and flannels). In the second half of 2022, PROFEPA will carry out 250 technical visits to companies and sensitive sites. All companies that are visited by PROFEPA will be invited to be part of the SISG. In the second half of 2021, 270 people from 138 companies were made aware of the importance of

				ruled for destroying six transformers and retrofilling nine. The Project and the Counterpart agreed with the mining unit to support the destruction of one piece of equipment until the operation of LTA for "Integral Services for Decontamination of Transformers contaminated with PCBs and destruction of the extracted contaminated oil"; they will be in charge of the remaining. On 22 March 2021, the Project donated 20 Clor-N-Oil 050 kits to the Zacatecas mining unit to carry out field sampling of 20 transformers and trained mining unit staff in the use of the Clor-N-Oil 050 kit. - In the first half of 2021, the PCU selected 190 transformers potentially contaminated with PCBs from CONALEP, based on the analysis of its inventory (between 10-20% of the total stock). The aim is to sample in 29 campuses located in Baja California Sur, Chiapas, Mexico City, Mexico State, Jalisco, Michoacán, San Luis Potosí, Sinaloa, Sonora and Yucatán, and determine if they are contaminated and then proceed to destroy them. The sampling will carry out during the second half of 2021, attending the epidemiological	complying with NOM-133-SEMARNAT-2015, which establishes the specifications for the environmentally sound management and disposal of hazardous waste that contains or is contaminated with PCBs, as soon as they are discarded, as well as for the handling and treatment of equipment with PCBs. The events were held in coordination with SEMARNAT and PROFEPA, in addition to the following instances: 1) Centro de Producción más Limpia de Bajío: 20 people from 18 companies participated (August 24, 2021). 2) EMA: 200 people from 100 companies participated (October 14, 2021). 3) Cámara Minera de México (CAMIMEX): 50 people from 20 companies (October 28, 2021). Since October 5, 2021, Comprehensive Services for the Decontamination of Transformers contaminated with PCBs and destruction of the contaminated oil extracted supported by the project were contracted. The PCBs that have been eliminated in equipment contaminated with more than 50 ppm have been paid for by the companies that own the transformers, such as: Silicatos y Derivados S.A. of C.V. Tlanepantla plant, Industrial Minera México S.A. of C.V. and the Ingenios

				restrictions by COVID-19 in each state. - In the second half of 2020, the PCU agreed with PROFEPA and DGGIMAR the programme of technical visits in companies to identify possibly PCBs owners and verify whether the dielectric oils in transformers exceeded the 50 ppm established in NOM-133-SEMARNAT-2015 and raise awareness for compliance with this Mexican Official Standard. Initially, the plan included 100 technical visits, adjusted because of COVID-19, and in a close region to the headquarters of Federal Attorney´s Office for Environmental Protection (PROFEPA). This entity conducted 84 technical visits in the fourth quarter of 2020 and scheduled 200 for the second half of 2021. The PCU provided to PROFEPA 300 Clor-N-Oil 050 rapid identification kits (in compliance with the EPA 0979 method of the Environmental Protection Agency of the United States of America), personal protective equipment (Tyvek suit, KN95 masks, nitrile gloves and safety glasses) and sampling equipment (glass bottles with lids, oil absorbent cloths and plastic waste bags), and trained 100 inspectors from different PROFEPA delegations via videoconference.	Quesería S.A. of C.V. they decided to pay for services without project support. Instead, the companies Iquisa, Santa Clara plant, PEMEX's Lázaro Cardenas Refinery, and the National Paper Producer received a quote from the project provider (SEMTREDI) for retrofilling and/or equipment destruction services. However, they have decided to wait to contract these services at a later date, since their business finances continue to be affected by the effects of Covid, among other economic phenomena. In the next Project Meeting, the strategy will be reviewed to encourage the destruction of PCBs or the retrofilling of contaminated equipment (between 50 and 500 ppm). On September 28, 2021, a Letter of Intent was signed with SEMARNAT, PROFEPA, the Secretariat of Ecology and Environment of the State of Quintana Roo, with the objective of developing lines of collaboration to favor the environmentally sound management of PCBs in the different operations in charge of industrial sites and sensitive sites (higher level schools, water treatment and wastewater plants, hospitals, shopping centers, hotels, etc.), thereby reducing risks to health and the environment due to exposure to these contaminants.

				PROFEPA covered the operational expenses of its inspectors to carry out the technical visits to 84 commercials, industrial or service establishments selected (less than 100 initially planned because of epidemiological restrictions), based on the high electricity consumption and the number of own transformers. The establishments are located in: Aguascalientes, Chihuahua, Mexico City, Coahuila, Durango, Guanajuato, Hidalgo, Jalisco, State of Mexico, Michoacán, Morelos, Puebla, San Luis Potosí, Sinaloa, Sonora, Tabasco and Veracruz. The results obtained from the technical visits were: • 84 companies visited • Database with 603 registered transformers, 195 analyses, and 20 positives (contaminated: more than 50 ppm of PCBs) according to the rapid test and the recommendation to the owners to carry out chemical analysis by gas chromatography to determine the actual concentration. • Only about 10% (20 tests out of 195 applied) of the total number of transformers sampled tested positive for the CLOR-OIL-50 kit. • The total weight estimated for	

				these 20 transformers was a total mass of 86 MT and oil volume of 34,000 liters of possibly contaminated dielectric oil. PROFEPA is collecting the laboratory results of the chromatographic analysis performed on the dielectric oils by the companies. In the first half of 2021, a programme of 200 technical visits was agreed jointly with SEMARNAT, PROFEPA and the PCU to begin on 21 June 2021. This Programme considers facilities of the Metro public transport system in Mexico City; industrial sites (automotive, chemical, food, paper, sugar and mining); educational facilities and shopping centers. For this purpose, the Project provided PROFEPA 250 CLOR-OIL-050 20 kits, personal protection material (Tyvek suit, KN95 masks, nitrile gloves and safety glasses), and sampling material (glass bottles with lids, oil absorbent cloths and plastic bags for waste). On 14 June 2021, 100 inspectors from different PROFEPA delegations in the country were again trained by videoconference on the use and handling the Clor-N-Oil 050 rapid identification kits to be used during technical visits to the industry.	

				- On 15 June, SDP-020-2021 "Consultancy services to provide the integrated management services system with technical elements to support the destruction of PCBs and prevent cross-contamination of equipment with PCBs" was published, aiming to ratify the SEMARNAT and the first phase of the PCB project inventories. The ratification of these inventories will update the location of contaminated equipment, establishing strategic routes for collecting and disposing of PCBs. The PCU expects to start the service in the second half of 2021. - In the second quarter of 2021, the LTA on "Integral decontamination services for transformers contaminated with PCBs and destruction of the contaminated oil extracted, and final destruction of transformers in various locations in the Mexican Republic" is under assessment for approval. But just only with a unique operative proposal, reflecting the minimal infrastructure for management and destruction of PCBs in Mexico. The PCU expects to start the service in the second half of 2021. The LTA will eliminate PCBs contained in electrical transformers, at industrial and sensitive sites, according to specifications in the Stockholm	

				Convention: • Decontaminate transformers with oils containing PCBs with concentrations between 50 and 500 ppm: through a process known as a retrofilling, and all the contaminated oils and auxiliary materials destroyed. • Destroy transformers with oils containing PCBs with concentrations of 500 ppm and above, including the equipment, oils and other content materials. - In the second quarter of 2021, Counterpart and the PCU held a meeting with TREN MAYA/FONATUR to explore cooperation. Besides, the sign of a letter of intent is pending; this entity has begun the inventory of the transformers located alongside the route of the Mayan Train (Tabasco, Campeche, Yucatan, Quintana Roo and Chiapas).	
# of project direct beneficiaries: workers in electrical maintenance facilities and sensitive sites users. 200 facilities X 5 people = 1,000	0	150,000	501,000	In this item, it is important to stress that on 9 February 2021, the UNAM Department of Sanitary and Environmental Engineering sent a letter of appreciation for the sampling	During the implementation of the project, an accumulated direct benefit of 1,646 workers from 385 companies and sensitive sites is estimated. A cumulative total of 8,593 electrical

(direct potential contact) + 500 transformers X 1,000 people = 500,000 (potential contact)				of 50 transformers located at University City (CU). The Project tested these transformers with the Clor-N-Oil 050 rapid identification kits and corroborated the analysis with a random oil sample in a laboratory certified by EMA and approved by PROFEPA. The results of both studies were negative for PCB contamination. Based on this activity, the academic authorities can ratify that the university campus is free of PCBs, benefiting 173,992 people composed of 145,934 students and 28,058 academics. In the same way, the testing of transformers from the CONALEP campuses (another academic institution) will allow us to estimate the affected or benefited population. The "Consultancy services to provide the integrated management services system with technical elements to support the destruction of PCBs and the prevention of cross-contamination of equipment with PCBs" includes the certification of 25 maintenance workshops, which will reduce the direct exposure of 125 employees. The PCU plans to start the process in September 2021.	equipment (capacitors, transformers and ballasts) has been sampled, but only 159 contaminated equipment with concentrations equal to or greater than 50 ppm of PCBs have been recorded, benefiting 1,973,992 people with potential contact.
The progress of the objective/outcome can be	**Off track**				

described as:	
Evidence uploaded:	YES

Outcome 1

Component/Outcome 1

Strengthening of market bases and of regulations enforcement for sustainable PCBs elimination

Description of Indicator	Baseline Level	Midterm target level	End of project target level	Level at 30 June 2021	Cumulative progress since project start
Number of PCBs' elimination proposals submitted to owners by Integrated Services Management System	0	800	2,000	The Project has no substantial progress on this topic because the Integrated Management Services System (SISG) has not been established yet. Progress is being made on the legal model and design (corporate purpose) to register the Civil Association to support the Integrated Management Services System (SISG). In addition, the PCU will disseminate the SISG to raise awareness among stakeholders to encourage participation in the system and estimates that the SISG will start operating by the end of 2021. But, during the first half of 2021, the PCU carried out several activities for the design and establishment of the SISG, such as: - Review of National legislation to identify the minimum requirements to create a civil association as an	There is preliminary progress in the integration of the non-governmental organization (NGO) responsible for the SISG, whose corporate purpose will be "Promote the environmentally sound management and elimination of POPs, through the issuance of recommendations and collaborations with the government sector for the strengthening of national legislation, the development and promotion of the value chain that allows reducing, mitigating and making disposal costs more efficient. of the compounds and residues contaminated with POPs, through more efficient programs for the identification, location and analysis of contaminated residues, training and technical advice to companies and accredited laboratories for measurement and verification, certifying companies, companies that handle and transfer polluting residues, destruction companies authorized by the Federal

				Authorised Donor. - Define the corporate purpose of the SISG. - Draft the TORs for the definition of legal advice for the formal structure of the system. - Prepare an information brochure about the SISG and deliver it to different actors to promote the system's services and initiate a directory of services. - Raise awareness of the SISG advantages several actors like authorities of the municipalities of San Pedro Garza García (Nuevo León); FONATUR; the Ministry of the Environment, Sustainable Development and Territorial Planning of Puebla; the Municipality of Puebla; Maintenance Workshops of Mexico City; the Association of Metal Mechanical Engineers of the State of Puebla, and the environmental state authorities of Quintana Roo and Veracruz.	Government and other government agencies". There is a draft of the Bylaws that will govern the Civil Association, these include the activities that may be carried out in the SISG, as well as the type of members that will be part of the system, as well as the general guidelines To date, eight letters have been received from various companies requesting to be part of the system, the companies are: 1. Iquisa plant Santa Clara 2. Silicatos y Derivados S.A. de C.V. plant of Tlanepantla. 3. Tecniquimia Mexicana, S.A. de C.V. 4. Industrial Minera México, S.A. de C.V. Charcas Unit. 5. Ferro Piezas Alanisa, S.A. de C.V. 6. Ternium México, S.A. de C.V. 7. Ingenio Quesería, S.A. de C.V. 8. Conservas La Costeña, S.A. de C.V. The SISG information pamphlet is distributed with companies and local authorities to promote the advantages of being part of it when it operates.

					PROFEPA delivers the brochure when it carries out technical visits to verify the existence of contaminated transformers. It is expected to conclude with the official registration of the system in September 2022, to advance the implementation of the NGO.
Number of responses from PCBs owners, to specific enforcement campaign of federal Standard 133, for PCBs sound management implementation	0	100	250	The PCU organised virtual awareness raising five events of the NOM-133-SEMARNAT-2015 for PCBs management, coordinating with DGGIMAR and PROFEPA for 411 participants to comply with the standard and preventing adverse effects on the health of citizens and the environment. The events were: - 28 October 2020, to the Municipality of San Pedro Garza Garcia in the state of Nuevo Leon; 15 companies and 20 company representatives participated. - On 3 November 2020, to the Mazatlan Hotel Association, 18 hotels and 23 people participated. - On 12 November 2020, with the Environmental Protection Institute (IPA) and CAINTRA of Nuevo Leon, 40 companies and 60 participants took part. - On 25 and 26 March 2021, trained the directors of the 308	Seven dissemination events have been held on the importance of complying with NOM-133-SEMARNAT-2015, since it is mandatory for all individuals and legal entities that own equipment with PCBs or generate PCB hazardous waste, as well as for those that provide management services. There is a cumulative total of 989 people from 211 companies and the 308 CONALEP sites. In the second half of 2021, 270 people from 138 companies were sensitized through three events held in coordination with SEMARNAT, PROFEPA, and the following instances: 1) Centro de Producción más Limpia de Bajío: 20 people from 18 companies participated (August 24, 2021). 2) EMA: 200 people from 100 companies participated (October 14,

				CONALEP campuses nationwide. Additionally, PROFEPA's programme of 200 technical visits in 2021, which has already trained 100 inspectors, and includes an awareness-raising component at the verified sites, and the delivery of an informative brochure to promote the Integrated Management Services System (SISG).	2021). 3) Cámara Minera de México (CAMIMEX): 50 people from 20 companies (October 28, 2021). The companies that participated in the dissemination events know that they can be visited by PROFEPA at any time, since it is the competent authority to verify compliance with NOM-133-SEMARNAT-2015. Additionally, during the visits made for sampling to update the inventory, 21 commitment letters were received from different companies. The results of the 50 samples that are analyzed with gas chromatography will be delivered to their owners for their knowledge, and those teams that come out positive for PCBs will be offered support to companies to encourage the elimination of contaminated equipment.
Financing mechanism for PCBs elimination concept developed	0	0	1	The PCU drafted the SISG (Integrated Management System) operation rules under the Ministry of Finance and Public Credit requirements in the second quarter of 2021. The financing mechanism and the final operation rules will set up by the second half of the year, including the list and role of	When the operation of the SISG Civil Association begins, the foundations of the financing schemes will be established for the operation of the NGO, but above all to achieve the environmentally sound disposal of PCBs at a lower cost. The exit strategy of the project is

				participants. The building of the financing mechanism is ongoing. Once the SISG is established and the ratified inventory information is available, the current costs can be estimated to glimpse the reductions due to the cost-effective management of PCBs by volume. The design of the system's Financing Mechanism will carry out to have information ratified in the field to ensure the reliability of the information on which the Project will base the market scheme.	developed, which considers the integration of a PCB chemical destruction system, through mobile equipment that will reduce disposal costs in the states or regions with more contaminated equipment. However, an estimate of the actual reduction in disposal costs of PCB-contaminated oils is not yet available.
The progress of the objective/outcome can be described as:	**Off track**				
Evidence uploaded:	YES				
Outcome 2 **Component/ Outcome 2** **Improvement of PCBs Management Services and Certification of PCBs Destruction Facilities**					
Description of Indicator	**Baseline Level**	**Midterm target level**	**End of project target level**	**Level at 30 June 2021**	**Cumulative progress since project start**
Number of existing facilities for PCBs elimination upgraded and certified	0	1	2	During the first half of 2021, the PCU drafted the terms of reference for the consultancy service that will carry out the technical and economic evaluation for improving the operations of two existing companies and their	In Mexico, there are no facilities for the elimination of improved and certified PCBs from electrical equipment (capacitors, transformers and ballasts) with concentrations equal to or greater than 50 ppm, as

				certification. This item is essential because the country only have one company for decontamination (retrofill) operations and another for high power transformers. The Project expects to operate this service by the second half of 2021. The consultancy service plans to update the database of companies offering PCB treatment and destruction services in the country. Currently, the Project identified two treatment and destruction companies in Mexico, and the aim is to promote the improvement of their operations and certification.	established in NOM-133-SEMARNAT-2015, for their destruction. they have to be exported to other countries. There are companies and workshops that offer retrofilling services for electrical equipment with concentrations of less than 500 ppm of PCBs, which consists of draining, washing and filling with liquids that do not contain PCBs. We work with these workshops to train them to avoid cross-contamination of equipment during the retrofill. Based on the preliminary results of the review, purification and updating of the PCB inventory record at the national level, more electrical equipment contaminated with concentrations less than 500 ppm has been identified, therefore, the relevance of enabling 6 to 8 electrical workshops, through technical assistance, equipment and training so that they can carry out retrofilled as established by NOM-133-SEMARNAT-2015. As of June 2022, 9 workshops have been identified that are interested in including retrofilling as part of their services. In the next Project Board Meeting, the exit strategy of the project will be reviewed, which includes the development of capacities in the country.

Number of new facilities for PCBs elimination authorized and certified	0	1	2	The PCU analyzed which Electrical Maintenance Workshops are likely to extend their services in the integrated management of PCBs, focusing on the decontamination process by retrofil. The current infrastructure in Mexico for treatment and destruction is limited; only two companies manage, treat, and dispose of PCBs. For this reason, the Project invited the Electrical Maintenance Workshops to participate in the SISG and fostering to include in their processes the retrofilling of contaminated equipment, depending on the concentration; otherwise, they can store contaminated oils for later disposal or treatment. They will be certified to ensure the implementation of international best practices. The PCU expects to implement the workshops certification process and the operation of the SISG by the end of 2021. In the first stage, during the development of the inventory update, the Project will identify active maintenance workshops in the country to reach the goal of 25 companies; the strategy incorporates technical advice and training to be provided by the SISG as part of its services to its members. The PCU invited the 13 workshops certified in the first phase to explore possible interest in including retrofilling as part of their services. Only nine of these workshops expressed their interest formally.	In the country there is no interest from new companies in investing in the destruction of electrical equipment (capacitors, transformers and ballasts) with concentrations equal to or greater than 50 ppm, as established in NOM-133-SEMARNAT-2015, but, if there is interest from nine workshops that want to include retrofilling as part of their services.

				On 13 May 2021, the Project held a videoconference with 12 maintenance workshops to encourage them and raise awareness on the importance to include retrofit as part of their services, explaining the activities and objectives of the Integrated Management System (SISG) and the certification process to strengthen the decontamination infrastructure in Mexico. In May 2021, the PCU received 9 Letters of Interest from the workshops to incorporate retrofil as part of their services. One of the goals of the Project is the certification of two new companies. However, it is vital to explore the possibility of creating a decontamination infrastructure in Mexico with more significant certified suppliers for sound management of oils with concentrations between 50 and 500 ppm is building capacity in the country. The Project has prepared draft terms of reference to contract consultancy services for the technical and economic assessment to build and strengthen the capacity decontamination process by retrofil in the third quarter of 2021.	
Number of existing facilities for electric transformers maintenance	13	53	113	The PCU seeks to address this issue through a consultancy service (SDP-020-2021) to reduce the risk of cross-	In the period of the report, 50 workshops interested in being brought to the point of certification have been

certified				contamination of equipment with PCBs and contaminated waste. The service includes the identification, training and certification of 25 electrical maintenance workshops concerning the "Protocol of activities for the implementation of good operating practices in companies and workshops dedicated to the maintenance, repair and / or manufacture of electrical transformers; as well as companies and workshops providing the service of "refining dielectric oil in transformers", through the implementation of national and international best practices. The call for proposals closed on 21 July, and the service is expected to start in the third quarter of 2021 and will last for 12 months. During the certification process of the new workshops, the Project will carry out successive phases to identify others that wish to join the SISG by disseminating and raising awareness of the advantages of being part of the System. In the first stage, the PCU will seek the certification of 25 maintenance workshops by the second half of 2022.	identified, however, work is being done with those who send their letter of commitment to manage their certification. In the month of May 2022, the first stage of training began and the certification of workshops for electrical maintenance, repair and refining of dielectric oil for transformers, or that carry out activities that involve the handling of dielectric oil at through the implementation of best practices to avoid cross-contamination in equipment and the proper handling of PCBs. The diagnosis of 14 workshops is carried out to identify their weaknesses that will be addressed in the training course. In the month of August, the second stage will begin with another 11 workshops, but the corresponding invitations have already been sent to join this effort and the written responses of the invited workshops are awaited.
The progress of the objective/outcome can be described as:	**Off track**				
Evidence uploaded:	YES				

Outcome 3

Component/ Outcome 3

Destruction of identified stock of PCBs

Description of Indicator	Baseline Level	Midterm target level	End of project target level	Level at 30 June 2021	Cumulative progress since project start
Metric Ton of PCBs containing equipment eliminated	0	2000	5000	During the reporting period, the CFE destroyed 20 MT. Up to 2020, this company has destroyed 432 MT. The PCU found underreporting data corresponding to the destruction of PCBs; for example, CFE sent annually in writing to the authorities its information, but it has not been incorporated into governmental existing databases. For this reason, the activities of the inventory ratification consultancy include the review and fine-tuning of government sector inventories and will be institutionalized through computer systems (SIREV PROFEPA) to promote the traceability of this waste. In addition, 219 transformers were registered (190 at CONALEP, 9 at the San Luis Potosí mine, and 20 at the Zacatecas mine); the equipment will be sampled and chemically analyzed to determine whether it is suitable for destruction starting in the second half of 2021. As described in the corresponding section for the major indicator, the Project has strengthened the link with	During the reporting period, 40.89 metric tons (MT) were eliminated, which added to the 432 MT previously reported, gives a cumulative total of 472.89 MT of PCBs in the country. The volume destroyed during the reporting period is broken down below: a) 15.62 MT from 13 CFE business units, in the second half of 2021 and 0.51 MT of PCBs in 2022. The CFE has destroyed a cumulative total of 448.66 MT of PCBs as of June 2022. b) Silicatos y Derivados S.A. de C.V. Tlalnepantla plant eliminated 0.77 tons (August 2021). c) Industrial Minera México, S.A. de C.V. eliminated 11.84 tons of PCBs (December 2021). d) Ingenio Quesería S.A. de C.V. eliminated 0.31 MT (December 2021). e) Seven companies eliminated 8,665 MT of PCBs in the second half

				key actors in the value chain for the treatment and destruction of PCBs, as well as in the development of a verification programme to identify PCB owners, in order to facilitate the operation of the treatment and destruction LTA.	of 2021. f) Four companies eliminated 3,172 MT of PCBs during the first half of 2022. On October 5, 2021, the LTA Decontamination Services for Transformers contaminated with PCBs and destruction of extracted contaminated oil began, although PCBs have still been eliminated in equipment contaminated with more than 50 ppm; given that large companies such as Silicatos y Derivados S.A. of C.V. Tlanepantla plant, Industrial Minera México S.A. of C.V. and the Ingenios Quesería S.A. of C.V. they decided to pay for services without project support. On the other hand, the companies Iquisa, Santa Clara plant, PEMEX's Lázaro Cardenas Refinery, and the National Paper Producer received a quote from SEMTREDI for retrofill and/or equipment destruction services; however, they have decided to wait to hire these services longer. forward, given that the finances of their businesses continue to be affected by the effects of Covid, among other economic phenomena. In the next Project Board Meeting, the strategy to encourage the destruction of PCBs or the retrofilling of contaminated equipment will be reviewed in accordance with the provisions of NOM-133-SEMARNAT-

					2015.
The progress of the objective/outcome can be described as:	**Off track**				
Evidence uploaded:	YES				

Outcome 4

Component/ Outcome 4

Capture lessons-learned, monitor project progress and provide adaptive feedback and evaluation

Description of Indicator	**Baseline Level**	**Midterm target level**	**End of project target level**	**Level at 30 June 2021**	**Cumulative progress since project start**
Number of GEF UNDP M&E requirements met and adaptive management applied	0	13	29	The PCU complies with UNDP GEF M&E requirements by generating four quarterly reports, an annual report, the PIR, the Annual Operational Plan, the Results Oriented Analysis Report (ROAR), minutes of the Technical Advisory Committee meetings, etc. The M&E specialist monitors the implementation of planned activities during the year, detects delays in performance and reports them to the project manager. The PCU prepared the ToR to contract the external evaluators to carry out the Project's mid-term review (MTR) between September and December 2021.	During the reporting period, the project prepared four quarterly reports, an annual report, the PIR, the 2022 Annual Operating Plan, the Results Oriented Analysis Report (ROAR), etc. The goals set in the Annual Operating Plan 2021 and first semester 2022 were followed up, and the delays found are reported to those responsible for the project. The Mid-Term Evaluation (concluded in May 2022) gives the following results: 1) Establish an action plan to launch the SISG in harmony with the communication plan with events that will put the PCB issue on the media agenda and serve to relaunch the

					project. 2) Carry out a feasibility study on the minimum conditions (volume of operation and/or subsidies) that would allow SEM-TREDI (or another company) to make the decision to operate by executing elimination actions in Mexico, so that the SISG makes these feasible. conditions and the lowest prices are offered to owners of PCB-contaminated equipment. 3) Define a parallel strategy to the consultancy in charge of updating the PCB inventory, as a proactive alternative that allows a greater involvement of the private sector in the identification of contaminated equipment with the promotion of subsidies. 4) Establish an agreement with a university for knowledge management and lessons learned from the project. 5) The SEMARNAT-UNDP commitment is required to formally ratify the interest of both institutions in supporting, with a sense of urgency, their interest in getting involved in the supervision of the coordinating unit of the project, providing strategic guidance, assistance in relations and connections periodically to guarantee the results of the PRODOC. 6) Prepare an awareness and

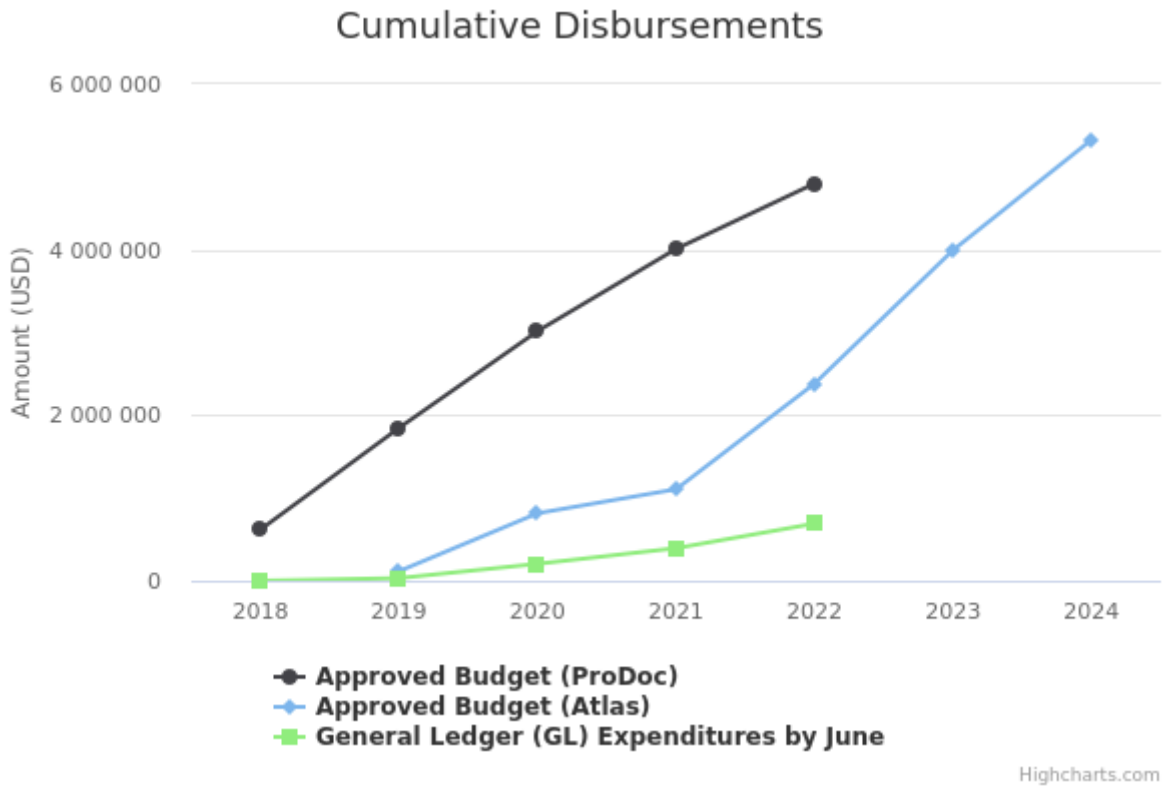
					communication plan that gives visibility to the PCB problem and encourages its reinforcement with very clear and sequential communication milestones. 7) It will be essential that the issues of gender, human rights and inclusion be worked on with the support of the GAP document prepared by the project; the documents and consultancies generated by the project must include indicators for the follow-up and fulfillment of the actions. To translate the actions in the field, the differentiated impacts must be identified in decision-making, women have specific needs as proposed by the BPA, to meet the needs of women. Management response to the Midterm Review (FSP Environmentally Sound Management and Destruction of PCBs in Mexico: Second Stage - Mid Term Review) was integrated, through which it will be periodically informed about the attention to each of the recommendations.
Number of documents/reports published of best practices and experience	0	1	5	The PCU organizes the lessons learned during the implementation of the Project for documentation and publication at the final closure.	Both the quarterly reports and the annual report include the lessons learned from the reporting period. Some of the lessons learned are listed below: a) The terms of reference are elaborated with greater precision in

					the expected results, this has led the interested parties to detail and quote their services better, avoiding the repetition of applications. b) More than one service is included in the terms of reference, in order to take advantage of the experience of the consulting companies; for example, the inventory that includes the preparation of certification for electrical equipment maintenance workshops (capacitors, transformers and ballasts) with concentrations equal to or greater than 50 ppm, as established in NOM-133-SEMARNAT-2015. c) Promote communication between the consulting services to integrate the results of the studies that correspond to two PRODOC components. For example, a meeting was organized with the consultants who carry out the review, purification and updating of the PCB inventory registry at the national level with the company responsible for the Comprehensive Decontamination Services for Transformers contaminated with PCBs and destruction of contaminated oil.
The progress of the objective/outcome can be described as:	**On track**				
Evidence uploaded:	YES				

Action plan

Off-track objective/outcome	Action(s) to be taken	Responsible party/ies	Due Date
Objective	Integrate the new PCU Cooridnate the strategy with Implementing partner to accelerate the main outcomes: confirm the national inventory, Integrate Management System and acelerate the sound disposal of the PCBs piles and equipment	SEMARNAT/UNDP CO with the suport of RTA	Sep 30, 2022
Outcome 1	Conclude the Integrate Management System platform and promote itrs services	PCU / SEMARNAT /UNDP	Oct 31, 2022
Outcome 2	Accelerate the diagnosys and the equipment of facilities with chemical processing Certificate the actual facilities	PCU / SEMARNAT	Dec 30, 2022
Outcome 3	Acelerate the disposal of the stock located and uses the LTA service contract to sound dispose of the equipment and stock located	PCU / SEMARNAT	Dec 30, 2022

D. Implementation Progress



Cumulative GL delivery against total approved amount (in prodoc):	14.39%
Cumulative GL delivery against expected delivery as of this year:	14.39%
Cumulative disbursement as of 30 June:	690,768

Key Financing Amounts

PPG Amount	100,000
GEF Grant Amount	4,800,000
Co-financing	20,815,000

Key Project Dates

Project duration	60 months
PIF Approval Date	Apr 19, 2016
CEO Endorsement Date	Nov 1, 2017
Project Document Signature Date (project start date):	Dec 1, 2018

Date of Inception Workshop	Mar 1, 2019
First Disbursement Date	Feb 28, 2019
Expected Date of Mid-term Review	Jun 1, 2021
Actual Date of Mid-term Review	*(not set or not applicable)*
Expected Date of Terminal Evaluation	Jun 30, 2024
Original Planned Closing Date	Dec 31, 2024
Revised Planned Closing Date	*(not set or not applicable)*

Dates of Project Steering Committee/Board Meetings during reporting period (30 June 2021 to 1 July 2022)
2021-08-25
Project Manager: Please provide comments on delays this reporting period in achieving any of the following key project milestones outlined in the above 'Key Project Dates' table. Include comments on COVID-19 related challenges, delays and impact. If there are no delays, please indicated 'not applicable'.
During the period of this report, the ratification of the PCB inventory began; PROFEPA carried out 203 technical visits to companies, reviewing 1,470 transformers; three virtual events were held to disseminate NOM-133-SEMARNAT-2015 to 270 people from 138 companies; the statutes of the Integrated System and Management Services were developed and in its formalization as an NGO, among others. However, the implementation of the project has been complicated for the following reasons: a) Closure and joint coordination with the COPs project (92723). b) On March 30, 2022, the third coordinator and the technical staff of both projects left. c) In May 2022, there was another change in the General Director of Integrated Management of Hazardous Materials and Activities (four changes to date). In addition to the above, the PCB Project (92730) presented the following delays since its approval: a) The GEF approved the project on October 31, 2017. b) The project began its implementation as of February 2019, with the hiring of the coordinator. c) The opening workshop was held in May 2019; on that same date it was decided that there would be a joint coordination of projects 92723 (COPs) and 92730 (BPC). The second quarter of 2020, the sanitary restrictions due to COVID-19 began, this once again affected the implementation of the project by limiting the operation and interaction with the different actors, the search and destruction of PCBs, registration of the SISG, the training of the workshops of services, etc. The project has an unsatisfactory rating due to delays in the results scheduled in the PRODOC. Currently, the project does not have a coordinator and technicians to help carry out the activities, and the Project Board has not yet met to approve its closure strategy.

CO Programme Officer: Please include specific measures to manage the project's implementation performance

The project Coordination Unit is been restructured to support the BPC project´s implementation and speed up the anual work plan and the Exit Strategy of the project. The new project team will be supported by a external consultant that will advise and support strategic processes to advance in the project outputs according to the Plan of Action agreed with the Regional Technical Advisor.

The Project Coordination Team will held weekly meetings with Programme Officer and RTA for project monitoring.

NCE RTA: Please include specific measures to manage the project's implementation performance.

This project is well behind schedule as indicated in previous sections. In 2019, it was decided a have a joint programme coordination unit for this project and for the GEF Chemicals and Waste project (92723 - improving the management of POPs containing waste in Mexico). The idea was to obtain operational and administrative efficiencies in both projects. This is a practice that has been very effective in UNDPs Chemicals and Waste Portfolio in Colombia, Honduras and Ecuador. However, it never worked out properly in Mexico. There are several reasons for that. One is the frequent change in project coordinators (3 times) and in National Project Director (DGGIMAR) (4 times), combined with sub-optimal qualities of the most recent project coordinator. He did not seem to posses the managerial capacities to coordinate two projects at the same time. This was confirmed during the MTR and a decision to discontinue the project team was taken. The virtual work arrangements during the pandemic did not help the situation.

During the reporting period (up to March 2022) there has been weekly virtual meetings between the project coordination unit, UNDP Mexico and the RTA to provide close oversight of the project execution. This had a very positive effect on the GEF 92723 project but less so on this project. This practice was discontinued on March, when the project team was fired. The idea return to this practice once the new project coordinator is in place. A Plan of Action (road map) for the remaining part of the project implementation has been developed by the senior advisor, and very close follow up will be provided with the new project team. There has also been important meetings between UNDP Mexico and SEMARNAT to prepare for an effective year of implementation in the upcoming reporting period.

There is a clear recognition that very close oversight will be needed in the coming reporting period to improve the current situation.

E. Project Governance

Dates of Project Board Meetings during reporting period (1 July 2021 to 30 June 2022). Please also upload all meeting minutes using the FILE LIBRARY button.
2021-08-25

F. Ratings and Overall Assessments

Role	2022 Development Objective Progress Rating	2022 Implementation Progress Rating
UNDP-NCE Technical Adviser	Moderately Unsatisfactory	Moderately Unsatisfactory
UNDP Country Office Programme Officer	Moderately Unsatisfactory	Moderately Unsatisfactory

Role	2022 Overall Assessment
UNDP-NCE Technical Adviser	The overall assessment of this project is that the both the DO and IP ratings are Marginally Un-satisfactory which is in line with the assessment by the Programme Officer in UNDP Mexico. It is similar to last year's reporting. There is a very close communication and collaboration with UNDP Mexico on the oversight of this project, and there has been numerous calls with the project team in the reporting period (almost on a weekly basis up to March 2022 and less afterwards). The Project Board met during the reporting period and discussed the challenges with the implementation and a strategy for the future. The project completed the Mid Term Review during the reporting period. The result was marginally unsatisfactory which is in line with UNDPs assessment of the project. There are several recommendations from the MTR that has already been implemented, such as replacing most of the project team. Others are still pending but are being closely monitored by UNDP Mexico and the RTA. Several actions from the MTR have been described in other sections of this PIR. The DO rating of this project is marginally unsatisfactory, as listed above. The project has a cumulative delivery of less than 700,000 USD (below 15 %), which is not acceptable. The main indicator of the project is the destruction of PCBs, where a total of 472.89 MT out of 5,000 MT have been destroyed. It is unlikely that the project will reach it target, but there are reasons to believe that substantial improvements can be made before the end of the project. The project has in the reporting period advanced substantially with development of the Integrated Management System (SISG), which will help to coordinate management and disposal operations for PCB possessors and is expected to substantively lower the management costs. Awareness is being raised among PCB possessors about the benefits the new coordination mechanism is creating. Another key result is the certification of 13 out of 113 maintenance workshops with a total of 53 workshops already agreeing to get the certification. This has a direct effect on the maintenance operations, but also serves to update the PCB inventory in Mexico. Maintenance workshops are agents of change and will be important for the next phase in the project. Several workshops have been trained in the use of retrofilling as a cost-effective way to deal with PCB contamination in transformers (below 500 ppm), as is expected to be the main disposal tool in the future. The project has continued its successful work with PROFEPA inspectors as this is a key ingredient for the long-term sustainability of the actions. In the forthcoming sections, a more detailed description of each of the components will be provided.

	All the evidence provided in the PIR has been evaluated and we confirm that the PIR report is backed up by the uploaded evidence. The overall objective to destroy 5,000 MT of PCB containing material is far from being reached with only 472.89 MT being destroyed as of today. This target is off-track. The project is continuing to update its inventory primarily through the PROFEPA inspectors, but more recently it is increasingly happening through the maintenance workshops that have been certified. The project is also off-track when it comes to direct project beneficiaries, though it is more difficult to assess as it is a more speculative indicator. Mainly the workers of the maintenance workshops will receive the full awareness training, and this will have a positive effect in the future on the general population because of the expected reduced exposure to PCBs due to early detection of PCBs and improved management of transformers during service. Currently, 11 % of the targeted workshops have been certified, but a large number have been identified to be certified in the upcoming reporting period. Component 1 – Outcome 1 aims to Strengthen the market bases and the enforcement of the regulations for the sustainable elimination of PCBs. The NGO that will run the SISG has been chosen and the initial setup has been determined so that authorized management companies can be part of the overall Integrated Management System with the aim to offer sustainable services at a low cost to the PCB possessors. 8 companies have shown interest in participating in the programme, and PROFEPA is delivery pamphlets to potential users of the system when conducting inspections. The initial operationalization of the system is an important achievement in the reporting period, and it is expected to have a positive effect in the future. Currently, a very limited number of consultations have taken place, and we are far from reaching the 2000 consultations that are expected by the end of the project. Responses from PCBs owners to the specific enforcement campaign of federal Standard NOM 133 for PCBs sound management implementation was successful in the reporting period. Cumulatively speaking, a total of 7 events have reached 989 people from 211 companies and the 311 CONALEP sites. In the reporting period this includes 270 people from 138 companies. This activity is on track and there is in general a good awareness about NOM133 in Mexico which regulates PCB management in the country. Finally, the financing mechanism for PCB management has not yet been elaborated. It will be a part of the SISG once it is being implemented. Component 2 – Outcome 2 deals with the improvements of PCBs Management Services and Certification of PCBs Destruction Facilities. This component is also off-track. In Mexico, there are no certified facilities for the elimination of PCBs from electrical equipment (capacitors, transformers and ballasts) with concentrations equal to or greater than 50 ppm, as established in NOM-133-SEMARNAT-2015, for their destruction. Therefore, PCBs must be exported for destruction in other countries. The existing destruction companies went out of business during the pandemic due to low demand. The new strategy is therefore to focus on retrofilling of equipment that is contaminated below 500 ppm and export the remaining part of PCBs)above 500 ppm) for destruction. This is a minor adjustment in the project strategy that will lead to a similar end-result in the long term. The new strategy is already being implemented in the maintenance workshops, where 13 have been certified, 53 have been identified and agreed to participate in the future out of a total goal of 113 workshop. This activity is almost on track and has

	shown good progress in the reporting period. 6-8 maintenance companies have shown interest in providing the retro filing services to PCB possessors. Component 3 – outcome 3 is about the destruction of identified PCB stocks. As listed above, this is the main GEB target of the project and less than 10 % of the 5000 MT have been destroyed as of today. Outcome 4 makes reference to the Monitoring and Evaluation of the project. The project has complied with all of its reporting obligations and is communicating effectively with its stakeholders. A pamphlet was developed for the SISG that is being distributed by PROFEPA and project team to potential PCB possessors in the country. The MTR was also conducted during the reporting period and the report complies with the UNDP and GEF requirements. There is a management response prepared by UNDP Mexico that is currently being implement, but some actions are still pending. The IP of the project was also considered marginally unsatisfactory in the reporting period. The annual delivery was about 300,000 USD which is well below what is expected from the project and following the trend from previous years. Having said that, most of the substantive advances in the project has been achieved in the reporting period. The main results that are worth mentioning is the design of the SISG to lower management and disposal costs for PCB possessors. This is expected to have a positive effect in the upcoming reporting period. The other important result this year is the certification of 13 maintenance workshops, the identification of 53 out of a total of 113 (target). This target could be achieved before the end of the project and would represent and important result. Another important achievement is the signing of a Long-Term Agreement to destroy PCBs (1 m USD). This will facilitate delivery in the upcoming reporting period. Only a limited quantity of PCBs (40.90 MT) was destroyed during the reporting period. The level of implemented co-finance is low and at about 13 %. This is in line with the cumulative delivery as is therefore at an expected but low level. Several minor adjustments have been reported in this PIR in other sections on institutional and implementation arrangements, Implementation schedule, minor project objective changes and risk analysis. None of change the overall objective of the project and are merely a reflection on adaptive management in a world with COVID 19 and changes in government and project structures. UNDP fully supports the minor adjustments and they are fully justified. The COVID19 pandemic has clearly had a negative effect on the project implementation as described in several sections of this document. The government focus on the pandemic has limited the resources for environmental issues that are necessary for Mexico to comply with its obligations on PCBs under the Stockholm convention. More practically, the project team has been working virtually since the beginning of the pandemic which has lowered the effectiveness of the team. On the positive side, there is still more than 85 % of the GEF resources available for the remaining part of the implementation, which will allow for a very ambitious implementation

	schedule in the coming period. The risk management of the project is good as reported in this PIR. ATLAS Risk log is updated. The initial social and environmental safeguards remain valid, and project responses are aligned with that. No new safeguards risks have been identified. An infographic on "Gender and Persistent Organic Pollutants (POPs)" was produced by the project which aims to raise awareness about the importance of including the gender issue in projects related to the management of chemical substances such as POPs and specifically with Polychlorinated Biphenyls (PCBs). This is being applied in the certification process of the maintenance workshops. The project developed the gender analysis and actions are being implemented in line with UNDP and GEF policies. The project is reaching out to all the relevant stakeholders for PCB management and disposal in Mexico including potential PCB possessor, Government entities, private sector companies dealing with management and disposal, etc. The current PIR reflects well the both the annual and cumulative progress this project has experienced. The main challenges have been described and the uploaded evidence supports the conclusions. There are some positive signs from the current implementation period that allows me to be positive for the upcoming reporting period. An ambitious road map for the remaining part of the implementation has been developed by the senior expert and it is expected to improve the implementation rates and quality in the upcoming reporting period.
UNDP Country Office Programme Officer	The project is rated as moderately unsatisfactory during the reported period. This rating is consistent with the previous PIR since several the outcomes remain off-track and its implementation rate has been slower than what was expected. The project concluded its mid-term review in Q1 2022. The evaluation scores had an under-satisfactory rating, reflecting the challenges highlighted in previous PIRs. But the project has moved forward with a new strategy to accelerate the project implementation. This strategy was designed with the support of an external consultant and in close collaboration with the RTA. It is important to highlight that, since May 2022, the project is lacking a Project Coordinator. In addition, the Project Implementing Partner has undergone important leadership changes. This context has impacted the implementation of the strategy and has required a new review of its goals and procedures with the new authorities involved. This has created an opportunity to strengthen the institutionalization of the project and plan an exit strategy that will allow the Ministry of Environment to continue this effort beyond the project's lifetime. Even in this context of changes, the project presents advances in the realization of a series of activities such as: • Analysis and definition on the legal model and design (corporate purpose) to register the SISG's Civil Society and the SISG constituency. • The definition of the formal structure that the SISG should have to

	comply with its purpose. • Promotion with companies, users, and potential stakeholders to be part of the SISG and to promote the system's services. • Awareness raising with stakeholders to encourage their participation in the incorporation of NOM-133-SEMARNAT-2015, training and management of PCBs; • Training to inspectors and the institutional verification entities to guarantee the sound management of POPs. • Initial advances on technical and economic evaluation to improve the operations of the two existing companies to sound management and destruction of PCBs; • Contact with electrical maintenance workshops to participate in the SISG and include in their services the processes of retrofilling contaminated equipment. • Promote agreements with the private and public sector to identify transformers, perform chemical sampling, and determine their disposal, especially in sensitive sectors. • With the participation of the new authorities in the Ministry of Environment, the project continues the collaboration with the Federal Electricity Commission (CFE), Education Institutions, subnational entities, and some sensitive sector´s institutions. The project has taken advantage of these relationships to generate agreements and synergies. It is expected that the agreements will allow the project to accelerate the localization and support the sound management of PCBs at the subnational level. • The project has continued with the capacities of PROFEPA´s inspectors through training and basic equipment for PCBs rapid diagnosis. One critical output planned to be completed in the following months is the confirmation of the official PCB inventory. This information will provide guidance on where the contaminated electrical equipment is located and guidelines to confirm if the goal of 5,000 tons stablished in the project design is achievable. This confirmation has taken longer than expected. Partially, due to the impact of the pandemic that reduced field operations, visits, and confirmation, in addition to staff rotation and other impacts on companies that reduced their rate of responses to the analysis promoted by the project. Other challenges are highlighted below: Outcome 1. The Integrated Management Services System (SISG) has had progress, but it is necessary to accelerate its consolidation to strengthen its market-base and the regulation enforcement for sustainable PCBs elimination. This is linked to the promotion of federal Standard 133 for PCBs sound management implementation, that has had delays due to the COVID-19 contingency, but it has been partially supported by the training workshops of PROFEPA´s inspectors and the field visits performed in 2022. Regarding the concept developed for the Financing mechanism for PCBs elimination, no progress can be reported at this moment, nor for the strategy adjustments requested by the new authorities in SEMARNAT.

	Outcome 2. Improvement of PCBs Management Services and Certification of PCBs Destruction Facilities, has no progress to report in the period. The project completed the needs assessment of authorized companies to treat, destroy, and export PCBs. The conclusion of the analysis is that the project can support a program for modernizing their PCBs management processes, including their chemical processes equipment and retrofilling processes to reduce their operation cost and provide support services to small companies. Regarding the new authorized and certified facilities for PCBs elimination, the strategy is linked to the support mentioned above and the definition of the financial mechanisms to incentivize the new investments on private and public sectors. Finally, regarding the work with existing facilities certified for electric transformer maintenance, the project is updating the information and linked the participation of the workshops to the SISG process. The SISG model will finance the promotion of public-private services for PCB disposal, and inspection campaigns, monitoring and training of inspectors for the enforcement of NOM-133-SEMARNAT-2015. Outcome 3 Destruction of identified stock of PCBs has been limited so far, since only a very limited stock of PCBs has been identified or disposed. Additionally, the project reports that there has been a poor response rate of companies contacted to declare or implement actions that guarantee the sound management of their potentially contaminated equipment or their sock of contaminated oil. The consolidation of the integrated management system is expected to support competitive prices and the establishment of a sustainable model to dispose of the additional material identified. Finally, the monitoring of administrative and contracting processes has also been slow on the part of the team, which has resulted in delays of the full assignment of the work plans approved by the Project Board. In terms of progress in cross-cutting issues, the project has prepared a gender strategy, which is a thorough document that incorporates of gender aspects in the components. However, this strategy still needs to be implemented systematically and should incorporate these actions in the planning and activities. The project is off track, but there still is an opportunity to accelerate the implementation and achieve its goals, as recommended in the Mid Term Review. The IP rating of the project is marginally unsatisfactory. Even when some of the working packages have been assigned, the project execution has been slow in exercising the budget. The pace of project activities and outputs expected in the Annual Work Plans (POAs) needs to be accelerated. A close working agenda has been created with SEMARNAT to assure the completion of the activities established in the AWP.

	The project should continue to accelerate the preparation of the package of consultancies and procurement plan. This acceleration should be supported by the PCU to avoid depending entirely on the external consultant as in the past. A more proactive role of the new Project Coordinator is expected to support the progress of the processes mentioned and define the strategy for the following months.
Project Manager/Coordinator	During the period of this report, the ratification of the PCB inventory began; PROFEPA carried out 203 technical visits to companies, reviewing 1,470 transformers; three virtual events were held to disseminate NOM-133-SEMARNAT-2015 to 270 people from 138 companies; the statutes of the Integrated System and Management Services were developed and in its formalization as an NGO, among others. However, the implementation of the project has been complicated for the following reasons: a) Closure and joint coordination with the COPs project (92723). b) On March 30, 2022, the third coordinator and the technical staff of both projects left. c) In May 2022, there was another change in the General Director of Integrated Management of Hazardous Materials and Activities (four changes to date). In addition to the above, the PCB Project (92730) presented the following delays since its approval: a) The GEF approved the project on October 31, 2017. b) The project began its implementation as of February 2019, with the hiring of the coordinator. c) The opening workshop was held in May 2019; on that same date it was decided that there would be a joint coordination of projects 92723 (COPs) and 92730 (BPC). The second quarter of 2020, the sanitary restrictions due to COVID-19 began, this once again affected the implementation of the project by limiting the operation and interaction with the different actors, the search and destruction of PCBs, registration of the SISG, the training of the workshops of services, etc. The project has an unsatisfactory rating due to delays in the results scheduled in the PRODOC. Currently, the project does not have a coordinator and technicians to help carry out the activities, and the Project Board has not yet met to approve its closure strategy.
GEF Operational Focal point	*(not set or not applicable)*
Project Implementing Partner	*(not set or not applicable)*
Other Partners	*(not set or not applicable)*

G. Minor Amendments

A) Results Framework
No
Provide a description of the change(s) to the 'Results framework'
(not set or not applicable)
B) Components and cost
No
Provide a description of the change(s) to 'Components and cost'
(not set or not applicable)
C) Institutional and implementation arrangements
Yes
Provide a description of the change(s) to 'Institutional and implementation arrangements'
The Institutional and Implementation arrangements have not been changed. However, there has been changes with project teams (3 project coordinators) and the National Project Director (4 different Directors in DGGIMAR) which have led to delays and adaptation to new management styles. The Project Coordinator was fired on March 31st as a result of a weak MTR (jointly with other key project members). The new Director of DGGIMAR (joined in May) has requested UNDP to hire a new project team.
D) Financial management
No
Provide a description of the change(s) to 'Financial Management'
(not set or not applicable)
E) Implementation schedule
Yes
Provide a description of the change(s) to 'Implementation schedule'
The implementation of the project is delayed substantially as less than 15 % of the resources have been implemented at this point in time. There is clearly a need to accelerate the implementation in the upcoming reporting period. A Senior Advisor was hired to provide such guidance. It is unlikely that all goals will be achieved. However, a plan has been developed to advance as quickly as possible with the remaining activities. Nothing substantial has been changed.
F) Executing Entity
No
Provide a description of the change(s) to 'Executing Entity'
(not set or not applicable)

G) Executing Entity Category
No
Provide a description of the change(s) to 'Executing Entity Category'
(not set or not applicable)
H) Minor project objective change
Yes
Provide a description of the change(s) to 'minor project objective change'
in outcome 2 in component 1 there is a minor adjustment. 2 national companies should be certified for disposal activities under the project. However, all existing plants are currently not operating. Therefore, focus is on providing "retrofilling" services by several of the maintenance workshops on PCB concentrations below 500 PPM, where as the rest will be exported for destruction. This adjustment will not have any effect on the overall goals of the project and is a good example of adaptive management.
I) Safeguards
No
Provide a description of the change(s) to 'Safeguards'
(not set or not applicable)
J) Risk Analysis
Yes
Provide a description of the change(s) to 'Risk Analysis'
The COVID19 pandemic and associated economic challenge in Mexico has had an effect on the implementation of the project. Several state entities currently do not have the means allocated for PCB disposal and the interest in participating in the project of some key stakeholders is therefore limited.
K) Increase of GEF project financing up to 5%
No
Provide a description of the change to GEF project financing up to 5%
(not set or not applicable)
L) Co-financing
No
Provide a description of the change(s) to 'Co-financing'
(not set or not applicable)
M) Location of project activity

No
Provide a description of the change(s) to project location activity
(not set or not applicable)
Other
No
Please provide a description of other types of minor amendments that do not fall under any of the above categories. For example, minor changes to the project's Gender Action Plan and/or gender activities can be captured here.
(not set or not applicable)
Upload any supporting documentation related to responses in this section.
(not set or not applicable)

H. Gender

Progress in Advancing Gender Equality and Women's Empowerment

1) Please review the project's Gender Analysis and Action Plan. If the document is not attached or an updated Gender Analysis and/or Gender Action Plan is available please upload the document below or send to the Regional Programme Associate to upload in PIMS+. Please note that all projects approved since 1 July 2014 are required to carry out a gender analysis and all projects approved since 1 July 2018 are required to have a gender analysis and action plan.
infografia genero BPC frente.png
Atlas Gender Marker Rating
GEN1: some contribution to gender equality
2) Please indicate in which results areas the project is contributing to gender equality (you may select more than one results area, or select not applicable):
Contributing to closing gender gaps in access to and control over resources: Yes
Improving the participation and decision-making of women in natural resource governance: No
Targeting socio-economic benefits and services for women: No
Not applicable: No
3) Please specify results achieved this reporting period that focus on increasing gender equality and the empowerment of women. **Please explain how the results reported addressed the different needs of men or women, changed norms, values, and power structures, and/or contributed to transforming or challenging gender inequalities and discrimination.**
An infographic "Gender and Persistent Organic Pollutants (POPs)" was prepared, with the aim of raising awareness about the importance of including the gender issue in projects related to the management of chemical substances such as POPs and specifically with Polychlorinated Biphenyls (PCBs).
4) Please describe how work to advance gender equality and women's empowerment enhanced the project's environmental and/or resilience outcomes.
As of the date of the report, there is no progress to report. This is a very technical project with limited progress. The main activity has been the certification of maintenance workshops where the results on gender are still to be reported. It should be noted that the large majority of people working in transformer maintenance workshops are men.

I. Risk Management

A) Review of Risks outlined in Risk Register and PIMS+ risk tab

CO Programme Officer: Has the Atlas Risk Register been updated during this reporting period?
Yes
NCE RTA: Please provide an assessment of project risk management (including risks reported in Risk Register and risks included in the project's risk tab in PIMS+) undertaken in the reporting period and summarize the key risk management measures to be taken in the coming year. This text will be pulled into the risk management action plan in this project's risk tab in PIMS+.
The Risk Register in ATLAS for this project is updated. The cumulative delivery of the project is well below the expected level at this point in time of the execution and this was also highlighted during the MTR. There are several reasons for the low delivery, but a late start up in project implementation combined with a several changes both at the Project Coordinator level as well as the National Project Director level. The majority of the contracts of the project team including the project coordinator were discontinued by March 31st, as a result of the poor performance in the MTR. It has taken longer than expected to get a new project team in place and this is affecting the effectiveness of the project. In April this year, the National Project Director (Director of DGGIMAR) was also replaced which has led to additional delays. Currently, all the focus is on hiring the new project team and starting up the project implementation. The risks that were identified during the PPG phase are still valid, but the pandemic and economic challenges have put the project in a precarious situation, given that limited government funding is currently allocated for environmental management. Additionally, the companies that have the capacity to dispose of PCBs in Mexico have gone out of business during the pandemic. Therefore, more costly options like exports of hazardous waste are being evaluated along with other options to treat low concentration PCB oils within Mexico. One option that has been applied successfully in Mexico has been the "retrofilling" of PCB containing transformers in the maintenance workshops, which is a very cost effective way to achieve the project results. As stated in last years PIR, "The Pandemic has diverted funds away from the Environmental sector in Mexico and this will remain a challenge in the near future of the project implementation. This issue is beyond the control of the project team and UNDP in Mexico". This situation remains the same, and there is no indication that it will change in the short term. The focus is therefore to continue working with the maintenance workshops, which are agents of change that can positively affect the situation in the country. The work with the Integrated Service Management System to reduce the cost of management and disposal of PCB containing equipment via a strong coordination effort among PCB holders did not advance substantially during the reporting period but will be a focus on the upcoming work plan. PROFEPA – the Environmental enforcement agency – has the responsibility for all inspections in the country. The long term sustainability is linked to the work of PROFEPA and the project is working closely with them to strengthen their capacities. Now new risks have been identified, but several of the existing risks have been triggered and are

receiving close follow-up in the project implementation. For a long time, there were weekly meetings organized with the project team, UNDP Mexico, and the RTA to closely follow the situation. These meetings were suspended when the project team was fired. It will resume once the new project team is in place.

The strongest asset of the project has been the hiring of an international PCB expert that serves as a senior advisor to the project team and the National Project Director. He has provided valuable advice to UNDP and the Government. However, he ability to affect to implementation is currently limited given that no project coordinator is in place. The National Project Director has indicated his interest in retaining the senior advisor close to the project once the new Project Coordinator has been hired.

The Project Document as approved by the GEF Council remains relevant for Mexico to comply with its international obligations under the Stockholm Conventions. The original risks remain the same. However, the priorities of the current government in a situation with a global pandemic and associated economic challenge has diverted resources and interest away from this sector. There is a strong effort to strengthen the Project Team and implementation for the upcoming reporting period.

B) Social and Environmental Standards (Safeguards) Risks

For reference, please find below the project's safeguards screening (Social and Environmental Screening Procedure (SESP) or the old ESSP tool); management plans (if any); and its SESP categorization above. Please note that the SESP categorization might have been corrected during a centralized review.

If the project has updated its SESP during implementation, then please upload that file below.

Social and Environmental Screening PCB.pdf

1) Have any new social and/or environmental risks been identified during the reporting period?

No

If any new social and/or environmental risks have been identified during the reporting period please describe the new risk(s) and the response to it.

NA

2) Have any existing social and/or environmental risks become more severe and/or has the project's SESP categorization changed during the reporting period? For example, when a low risk increased to moderate, or a moderate risk increased to substantial/high.

No

If any existing social and/or environmental risks have become more severe and/or if the project's SESP categorization has changed during implementation please describe the change(s) and the response to it. Note that any change to the project's SESP categorization should be confirmed by the Project Board and by the NCE PTA (and potentially cleared by the NCE safeguards team).

NA
3) Have any social and environmental assessments and/or management plans been prepared or updated, and/or has the SESP been updated in the reporting period, as required? For example, an updated Stakeholder Engagement Plan, Environmental and Social Impact Assessment (ESIA) or Indigenous Peoples Plan.
No
If yes, please upload the document(s) above using the FILE LIBRARY button. If no, please explain when the required documents will be prepared.
NA
4) Has the project received complaints related to social and/or environmental impacts (actual or potential) during the reporting period?
No
If yes, please describe the complaint(s) or grievance(s) in detail including the status, significance, who was involved and what action was taken.
NA
5) Is this project on track with the preparation and/or implementation of all safeguards measures required for compliance with the UNDP SES?
Yes
If no, please explain:
NA

J. Knowledge Management & Communications

The **Project Manager** must complete the three questions below.

1) Please provide progress on the implementation of the project's Knowledge Management approach approved at CEO Endorsement/Approval. If there is no KM approach/strategy, please comment on how the project is capturing and disseminating best practices and lessons learned.
The SISG information pamphlet is distributed with companies and local authorities to promote the advantages of being part of it when it operates and incetivate the interest of those actors to use the platform. PROFEPA delivers the brochure when it carries out technical visits to verify the existence of contaminated transformers.
2) Please provide URLs specific to this project in the relevant field below. Please categorize the URLs appropriately (for example: project websites, social media sites, media coverage, etc.)
a pamphlet about the SISG integrated system has been developed and is shared by PROFEPA and Project team with potential PCB possessors. Attached The project is linked to a website developed in the COP´s project: http://residuoscop.org/ In this site the project provides information about the importance of the sound management of BPCs, information related to the training evants, and the advances in the MoUs and agreements with c stakeholders. The project is also linked to UNDP webpage and provides information on the webpage and social media of UNDP Mexico: https://www.undp.org/es/mexico/projects/manejo-y-destrucci%C3%B3n-ambientalmente-adecuado-de-bifenilos-policlorados-segunda-fase
3) In the PIR platform, please upload any supporting files, including the project's Communications Strategy, photos, videos, stories and other communication/knowledge materials.
Brochure SISG Final.pdf

K. Stakeholder Engagement

(A) Provide an update on progress, challenges and outcomes related to stakeholder engagement based on the description in the Stakeholder Engagement Plan or equivalent documentation submitted at CEO Endorsement/Approval.

(B) Upload all available documentation of the project's stakeholder engagement, including surveys, FPIC reports and others using the FILE LIBRARY button in the upper right corner of the PIR.

(C) If the project's Stakeholder Engagement Plan has been updated during the reporting period, please upload that file using the FILE LIBRARY button above.

In the second half of 2021, 270 people from 138 companies were made aware of the importance of complying with NOM-133-SEMARNAT-2015, which establishes the specifications for the environmentally sound management and disposal of hazardous waste that contains or is contaminated with PCBs, as soon as they are discarded, as well as for the handling and treatment of equipment with PCBs. The events were held in coordination with SEMARNAT and PROFEPA, in addition to the following instances:

1) Centro de Producción más Limpia de Bajío: 20 people from 18 companies participated (August 24, 2021).

2) EMA: 200 people from 100 companies participated (October 14, 2021).

3) Cámara Minera de México (CAMIMEX): 50 people from 20 companies (October 28, 2021).

On September 28, 2021, a Letter of Intent was signed with SEMARNAT, PROFEPA, the Secretariat of Ecology and Environment of the State of Quintana Roo, with the objective of developing lines of collaboration to favor the environmentally sound management of PCBs in the different operations in charge of industrial sites and sensitive sites (higher level schools, water treatment and wastewater plants, hospitals, shopping centers, hotels, etc.), thereby reducing risks to health and the environment due to exposure to these contaminants.

To date, eight letters have been received from various companies requesting to be part of the Integrated Management Services System (SISG), the companies are:

1. Iquisa plant Santa Clara
2. Silicatos y Derivados S.A. de C.V. plant of Tlanepantla.
3. Tecniquimia Mexicana, S.A. de C.V.
4. Industrial Minera México, S.A. de C.V. Charcas Unit.
5. Ferro Piezas Alanisa, S.A. de C.V.
6. Ternium México, S.A. de C.V.
7. Ingenio Quesería, S.A. de C.V.
8. Conservas La Costeña, S.A. de C.V.

L. Annex - Ratings Definitions

Development Objective Progress Ratings Definitions

(HS) Highly Satisfactory: Project is on track to exceed its end-of-project targets, and is likely to achieve transformational change by project closure. The project can be presented as 'outstanding practice'.

(S) Satisfactory: Project is on track to fully achieve its end-of-project targets by project closure. The project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Project is on track to achieve its end-of-project targets by project closure with minor shortcomings only.

(MU) Moderately Unsatisfactory: Project is off track and is expected to partially achieve its end-of-project targets by project closure with significant shortcomings. Project results might be fully achieved by project closure if adaptive management is undertaken immediately.

(U) Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets by project closure. Project results might be partially achieved by project closure if major adaptive management is undertaken immediately.

(HU) Highly Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets without major restructuring.

Implementation Progress Ratings Definitions

(HS) Highly Satisfactory: Implementation is exceeding expectations. Cumulative financial delivery, timing of key implementation milestones, and risk management are fully on track. The project is managed extremely efficiently and effectively. The implementation of the project can be presented as 'outstanding practice'.

(S) Satisfactory: Implementation is proceeding as planned. Cumulative financial delivery, timing of key implementation milestones, and risk management are on track. The project is managed efficiently and effectively. The implementation of the project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Implementation is proceeding as planned with minor deviations. Cumulative financial delivery and management of risks are mostly on track, with minor delays. The project is managed well.

(MU) Moderately Unsatisfactory: Implementation is not proceeding as planned and faces significant implementation issues. Implementation progress could be improved if adaptive management is undertaken immediately. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are significantly off track. The project is not fully or well supported.

(U) Unsatisfactory: Implementation is not proceeding as planned and faces major implementation issues and restructuring may be necessary. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are off track with major issues and/or concerns. The project is not fully or well supported.

(HU) Highly Unsatisfactory: Implementation is seriously under performing and major restructuring is required. Cumulative financial delivery, timing of key implementation milestones (e.g. start of activities), and management of critical risks are severely off track with severe issues and/or concerns. The project is not effectively or efficiently supported.