

UNITED  
NATIONS

SC



**United Nations  
Environment  
Programme**

UNEP/POPS/COP.1/INF/11

Distr.: General  
15 February 2005

English only

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Conference of the Parties to the Stockholm  
Convention on Persistent Organic Pollutants  
First meeting  
Punta del Este, Uruguay, 2–6 May 2005  
Item 6 (h) of the provisional agenda \*

**Matters for consideration or action by the Conference  
of the Parties: financial resources, mechanisms and related financial arrangements**

## **Report of the Global Environment Facility to the first meeting of the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants**

### **Note by the Secretariat**

Annexed to the present note is information provided by the secretariat of the Global Environment Facility. The text of the annex has not been formally edited.

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\* UNEP/POPS/COP.1/1.

K0580530 210205

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## Global Environment Facility

February 9, 2005

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REPORT OF THE GLOBAL ENVIRONMENT FACILITY  
TO THE FIRST MEETING OF THE CONFERENCE OF THE PARTIES  
TO THE STOCKHOLM CONVENTION ON  
PERSISTENT ORGANIC POLLUTANTS

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## INTRODUCTION

1. The Global Environment Facility (GEF) is submitting the following report to the first meeting of the Conference of the Parties (COP 1) of the Stockholm Convention on Persistent Organic Pollutants to provide information on its activities undertaken as the principal entity entrusted with the operations of the financial mechanism on an interim basis.<sup>1</sup>
2. This report is comprised of the following four sections:
  - (a) Section 1 describes the establishment of the POPs program in the GEF, and GEF's follow-up to recommendations from the Conference of Plenipotentiaries of the Stockholm Convention and the Intergovernmental Negotiating Committee.
  - (b) Section 2 describes the GEF's project activities to-date.
  - (c) Section 3 provides a financial summary of GEF support for eligible countries.
  - (d) Section 4 describes the role of monitoring and evaluation in GEF operations.
3. In addition, Annex A lists the countries receiving GEF funding to develop their National Implementation Plan, and Annex B lists and describes other POPs projects approved by the GEF Council since the adoption of the Stockholm Convention.

## SECTION 1: ESTABLISHING THE POPS FOCAL AREA

### Conference of Plenipotentiaries

4. The Conference of Plenipotentiaries on the Stockholm Convention, held in May 2001, requested in its Resolution on interim financial arrangements (see Final Act on the Stockholm Convention - UNEP/POPS/CONF/4), that the GEF:
  - (a) consider establishing a new focal area through amendment of the *Instrument for the Establishment of the Restructured Global Environment Facility* to support the implementation of the Convention;
  - (b) establish as soon as possible and implement an operational program for POPs, taking into account future decisions of the INC for an International Legally Binding Instrument for Implementing International Action on Certain Persistent Organic Pollutants;

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<sup>1</sup> This report includes and complements information documents submitted by the GEF Secretariat to the sixth and seventh sessions of the INC regarding GEF support to activities in the interim before entry into force of the Convention (UNEP/POPS/INC.6/INF/9 and UNEP/POPS/INC.7/INF/11).

- (c) report to the Conference of the Parties at its first session on the measures it has taken to (i) ensure the transparency of its project approval process, and (ii) ensure that the procedures for accessing funds are simple, flexible and expeditious.
5. Additionally the Conference of the Plenipotentiaries (COP), in its *Resolution on capacity-building and capacity assistance network*, invited the GEF to take into account the capacity-building needs for the implementation of the Convention by signatory developing countries and signatory countries with economies in transition, in the further development of its capacity-building strategy, and to report thereon to the Intergovernmental Negotiating Committee (INC) at its sixth session.

### **Intergovernmental Negotiating Committee**

6. The Stockholm Convention Intergovernmental Negotiating Committee in Decision INC-7/9 of its seventh session in July 2003 provided further recommendations to the GEF (see *Final report* UNEP/POPS/INC.7/28). Regarding eligibility, decision INC-7/9 requests the GEF to note that:
- (d) financial support for implementation activities should be available to “developing countries and countries with economies in transition (CEITs) that are Parties” to the Convention;
- (e) support for enabling activities should be more broadly available to “developing countries and CEITs that are signatories or in the process of becoming Parties” to the Convention; and
- (f) developing countries and CEITs are “those countries that are eligible according to current Global Environment Facility criteria”.
7. Regarding program priorities, decision INC-7/9 welcomes the GEF strategic priorities for POPs and requests that the focus of actions be maintained on the “obligations of the Convention and the priorities identified in national implementation plans”.

### **Designation of POPs as a GEF focal area**

8. The GEF Assembly, at its second meeting held in 2002 in Beijing, China, agreed to amend the *Instrument for the Establishment of a Restructured Global Environment Facility* (GEF Instrument) to include Persistent Organic Pollutants and Land Degradation, primarily desertification and deforestation, as new focal areas of the GEF. Most notably, regarding the implementation of the POPs focal area, the GEF Assembly amended the GEF Instrument in:
- (g) paragraph 2, which identifies GEF focal areas, to add subparagraph “(f) persistent organic pollutants”;
- (h) paragraph 3, to read, “The agreed incremental costs of activities to achieve global environmental benefits concerning chemicals management as they relate to the above

focal areas [climate change; biological diversity; international waters; ozone layer depletion; land degradation, primarily desertification and deforestation; persistent organic pollutants] shall be eligible for funding. The agreed incremental costs of other relevant activities under Agenda 21 that may be agreed by the Council shall also be eligible for funding insofar as they achieve global environmental benefits by protecting the global environment in the focal areas”;

- (i) paragraph 6, by adding a new sentence that reads, “The GEF shall also be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants”, and by revising the sentence that reads, “In such respects, the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the conventions,” such that it applies to the Stockholm Convention as well.

### **Initial Guidelines for POPs Enabling Activities**

9. At its May 2001 meeting, the GEF Council adopted the *Initial Guidelines for Enabling Activities for the Stockholm Convention on Persistent Organic Pollutants* (GEF/C.17/4 and UNEP/POPs/INC.6/INF/2).<sup>2</sup> The preparation of the guidelines was greatly facilitated by work that the GEF and its Implementing Agencies had been conducting in the years prior to the adoption of the Stockholm Convention in the framework of the International Waters focal area, and particularly in the preparation of the UNEP implemented pilot project on “Development of National Implementation Plans for the management of POPs”.

10. In order to facilitate early implementation of the Convention, the eligibility for POPs enabling activities was extended to countries that were only signatory to the Convention, and additional Executing Agencies were brought in to work with eligible countries to prepare their National Implementation Plans (NIPs). As a result, some sixty countries had already submitted proposals to the GEF within a year after the adoption of the Convention, in addition to the twelve countries part of the above-mentioned pilot project.

### **Operational Program on Persistent Organic Pollutants (OP#14)**

11. In 2000, the GEF Secretariat prepared a draft Operational Programme #14, *Draft elements for an operational program for reducing and eliminating releases of persistent organic pollutants into the environment* (GEF/C.16/6), which the GEF Council took note of during its November 2000 meeting. A revised draft updated to take into account the final negotiated text of the Convention (GEF/C.22/Inf.4) was reviewed by the GEF Council at its November 2003 meeting. In light of the expectations that COP 1 of the Stockholm Convention would adopt guidance

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<sup>2</sup>The GEF Guidelines have been complemented by the *draft Guidance document for developing a National Implementation Plan for the Stockholm Convention*, prepared by UNEP and the WB in the framework of the above-mentioned pilot project (UNEP/POPs/INC.7/INF/20), as well as by other guidance documents such as the UNDP POPs Resource Kit.

to the GEF, it was decided to await the results of COP1 before finalising OP #14, such that the COP guidance might be incorporated into the draft, if appropriate. In the meantime, the draft OP #14 on persistent organic pollutants is available on the GEF website<sup>3</sup>.

12. OP #14 provides a framework to guide the development of activities eligible for GEF funding. To this end, the proposed program objective is to “provide assistance, on the basis of incremental costs, to developing countries and countries with economies in transition to reduce and eliminate releases of POPs into the environment.” The operational program notes that the GEF, as an entity entrusted with the operation of the financial mechanism for the Convention, functions under the guidance of, and is accountable to, the COP.

13. Consistent with decision INC-7/9 that the GEF “maintain the focus of actions on the obligations of the Convention and the priorities identified in national implementation plans,” the guiding principles of draft OP #14 note that, “priority policy and regulatory reforms, capacity building, and investment needs identified in a country NIP will be the primary framework for GEF support.”

### **GEF strategic priorities for POPs**

14. The GEF Council at its May 2003 meeting approved a strategic approach to business planning for the GEF,<sup>4</sup> which includes three strategic priorities proposed for the POPs focal area. The strategic priorities, welcomed by the INC in its decision INC-7/9, are as follows:

- (j) support to foundational capacity-building for the development of NIPs, awareness-raising, and dissemination of best practices;
- (k) NIP implementation: targeted capacity building and implementation of policy and regulatory reforms and investments to support priorities that emerge from national implementation plans (or other priority-setting exercises such as an International Waters Strategic Action Program); and
- (l) demonstration and promotion of innovative and cost effective technologies and practices.

15. The Business Plan observes that these strategic priorities are based on the objectives and requirements of the Stockholm Convention on POPs and the need to foster innovative approaches to integrated management of chemicals. The Business Plan further suggests that, as the Convention had not yet entered into force when they were developed and in light of the GEF’s limited experience in Convention implementation, these strategic priorities may need to be revised in the future on the basis of further experience gained in executing projects and guidance from the Convention.

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<sup>3</sup> [http://www.thegef.org/Operational\\_Policies/operational\\_programs/operational\\_programs.html](http://www.thegef.org/Operational_Policies/operational_programs/operational_programs.html)

<sup>4</sup> GEF/C.21/9, GEF business plan FY04-FY06:

[http://www.TheGEF.org/Documents/Council\\_Documents/GEF\\_C21/C.21.9\\_GEF\\_Business\\_Plan\\_FY04-06.pdf](http://www.TheGEF.org/Documents/Council_Documents/GEF_C21/C.21.9_GEF_Business_Plan_FY04-06.pdf)

## **GEF measures taken to expedite procedures for access to funding**

16. The GEF has taken key steps to expedite procedures for access to funding, including expanding delivery mechanisms through increasing the number of partner agencies that can work directly with the GEF on POPs issues, and GEF Council decisions regarding expedited processing of proposals.

### *Expanded delivery*

17. The GEF Instrument provides that GEF-financed projects are to be managed through three Implementing Agencies: UNDP and UNEP and the World Bank. In recent years, the Regional Development Banks<sup>5</sup> have been invited to access GEF resources on behalf of client countries. In addition, in May 2000, the GEF's Expanded Opportunities policy culminated with the GEF Council's designation of UNIDO and the FAO as GEF Executing Agencies (EAs)<sup>6</sup> with expanded opportunities in the area of POPs because of their comparative advantage in aspects of POPs management, and their ability to help countries with a "quick start" on Convention activities. Further, the GEF Council in May 2001 approved the direct access of UNIDO and FAO to GEF enabling activities under expedited procedures (for resources up to US\$ 500,000).

18. Finally, following a *Review of experience with Executing Agencies under Expanded Opportunities* (GEF/C23/6), the GEF Council in November 2003 requested that the Executing Agencies under Expanded Opportunities, acting within their agreed scope for GEF operations, be given direct access to GEF resources for medium and full-sized projects. Arrangements to give effect to that policy have now been finalised such that a country can now work with any one of the three original Implementing Agencies, one of the four RDBs, or FAO or UNIDO, to identify, develop and implement a GEF project on POPs.

### *Enabling Activities*

19. The GEF funds 100 percent of the agreed cost of enabling activities related to the Stockholm Convention. Projects requiring up to \$500,000 per eligible country may be approved through expedited project approval procedures.<sup>7</sup> Where national circumstances require support exceeding \$500,000, a request is considered under the normal GEF project cycle.

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<sup>5</sup> The African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank.

<sup>6</sup> The practice is to capitalise Executing Agency to refer to the seven organisations with direct access to GEF resources in addition to the three original Implementing Agencies; and to refer to executing agencies to designate the myriad of organisations that can execute a GEF project, working with an Implementing or Executing Agency.

<sup>7</sup> According to the Council decision of May 2001, all developing countries and countries with economies in transition signatory to the Convention are eligible for GEF "enabling activities" funding. Eligibility was expanded in May 2002 to all developing countries and countries with economies in transition party to the Convention, and further in November 2003, following the recommendation of INC-7, to developing countries and countries with economies in transition in the process of becoming party to the Convention.

20. Expedited procedures provide that the Chief Executive Officer (CEO) of the GEF may directly approve proposals for GEF projects that do not exceed US\$ 500,000. The GEF Council also approved a simplified format for presentation of proposals.

21. Proposals for enabling activities are submitted on a rolling basis throughout the year. Once a proposal is submitted to the GEF, the Secretariat takes seven working days to perform a technical review. The GEF's Implementing and Executing Agencies, the Science and Technical Advisory Panel (STAP) and the Convention Secretariat are requested to conduct their respective technical reviews of proposals parallel to the GEF Secretariat, i.e., within the same seven-day time frame. Council review of expedited enabling proposals is not required. Therefore, projects that meet with eligibility criteria and technical review can proceed directly to the GEF CEO for decision on approval.

22. These expedited procedures have greatly contributed to the approval of a large number of NIP proposals in a relatively short time period. It must be noted, however, that a project proposal once approved by the GEF still has to undergo an Implementing/Executing Agency internal approval process leading to the signature of the grant agreement with the recipient country. The evidence suggests that for enabling activities the time between GEF approval and first disbursements of money to a country is subject to large variations, between 1 to 12 months, depending on specific agency and country circumstances.

#### *Medium-sized projects (MSPs)*

23. Expedited access to GEF funding is also possible under provisions for MSPs, a process approved by the GEF Council in 1996. Proposals for GEF MSPs are for US\$ 1 million or less in GEF financing and are submitted and approved on a rolling basis, with simplified formats (e.g. simplified conceptual incremental costs analysis). A review of the GEF experience related to MSPs undertaken in 2001, although positive on many accounts, shows that the expedited procedures envisaged for the MSPs have fallen short of expectations.

24. As a follow-up to the 2001 MSP evaluation, the GEF Secretariat organized an MSP Working Group consisting of representatives from the Implementing Agencies, two NGOs, and an Executing Agency. The Working Group explored different modalities and delivery systems for MSPs. One of the first outcomes of the work of this group has been to increase the level of PDF-A grants used in preparation of MSPs from US\$ 25,000 to US\$ 50,000. Another is the approval by the GEF Council in November 2004 of a GEF program on smaller sized MSPs in which proposals may be approved on an annual basis through a simplified competitive process. The Council also approved a pilot country-level program that will allow decentralised country-level approval of smaller MSPs.

#### *Other measures to streamline the GEF project cycle*

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25. The GEF “project cycle” is kept under constant review by the GEF Council with a view to improving the efficiency of the system and minimizing bureaucracy, without compromising on project quality. Some recent improvements such as the direct access for Executing Agencies under expanded opportunities have already been mentioned. Others include simplifying the requirement for GEF focal point endorsements. In the GEF Secretariat, the newly established Operations Coordination Team has as one of its main objectives to further simplify the GEF procedures, taking into account, inter alia, the work of the independent Office of Monitoring and Evaluation of the GEF (OME), and working with the GEF agencies. For example, following a request from the GEF Council, OME is presently conducting a study of “elapsed time” – the time between approval of a concept and grant effectiveness. The outcome of this study will inform the on-going work on “streamlining” of the project cycle.

## Capacity building activities

26. Capacity building is a key aspect of the GEF's work. Capacity building elements appear as strategic priorities for most focal areas, and are crosscutting to all GEF focal areas. The COPs of the Conventions for which the GEF is a financial mechanism typically place considerable emphasis on capacity building. Additionally, the GEF Council has emphasized the need to build capacity to help countries to develop policies and strategies to deal with global environmental challenges and not just capacity to meet the requirements of the Conventions.<sup>8</sup>

27. In the Beijing Declaration, the GEF Assembly noted in summary that:

- (m) capacity building needs of recipient countries should be identified and addressed in a systematic way;
- (n) medium-sized projects should play an important capacity building role, particularly in Least Developed Countries (LDCs) and Small Island Developing States (SIDS),<sup>9</sup> and
- (o) in addressing capacity building, the GEF should foster synergies among global environmental conventions, and capacity building activities that achieve effectiveness, efficiency, and better mainstreaming of global environmental issues within the sustainable development agenda.

28. In November 2003, the GEF Council approved a *Strategic Approach to Enhancing Capacity Building* (GEF/C.22/8). This approach underscores the importance of the GEF's facilitation of and support for nationally determined capacity building needs to facilitate implementation of country commitments as Parties to specific Conventions and agreements that the GEF supports.

29. The strategic approach outlines four pathways for enhanced GEF capacity building support:

- (p) a self-assessment of capacity needs;
- (q) strengthening capacity building elements in GEF projects;
- (r) targeted capacity building projects within a focal area; and
- (s) cross cutting capacity building, including country specific programs for addressing critical capacity building needs in LDCs and SIDS.

30. Two new types of capacity building modalities are proposed, within and across focal areas.

<sup>8</sup> See GEF Council, Joint Summary of the Chairs, May, 2001.

<sup>9</sup> See <http://www.un.org/special-rep/ohrlls/ohrlls/aboutus.htm> for United Nations LDC and SIDS list of countries.

31. The first modality would finance focal area specific free-standing capacity building projects that address national priorities and are responsive to the guidance and decisions of the relevant Conventions but which cannot be included in other projects that address focal area strategic priorities. Projects undertaken under this modality would seek to build capacity as an end product, which in turn is expected to simulate a broad based impact on global environmental management.

32. The second targeted capacity building modality entails an approach for systematic or institutional level activities that are cross-cutting to all focal areas and which will assist countries to manage global environmental issues in a more general manner, e.g., via:

- (t) institutional strengthening;
- (u) assistance for enhanced legislation, regulations or administrative measures;
- (v) capacity building for public awareness; and
- (w) development of training material.

33. The Council has requested that the GEF Secretariat, in collaboration with the Implementing Agencies and the GEF's Office of Monitoring and Evaluation, to undertake further work to make the strategy operational.

#### *Capacity building in support of the Stockholm Convention*

34. Initial emphasis by the GEF on capacity building for the Stockholm Convention focuses on support for enabling activities as described in the May 2001 *Initial Guidelines for Enabling Activities for the Stockholm Convention on Persistent Organic Pollutants*. Consistent with this direction, the Draft Operational Program for Persistent Organic Pollutants emphasizes "capacity building activities that are aimed at strengthening the capacity of developing countries and countries with economies in transition to address the threats posed by POPs, based on priorities identified in their NIPs." OP #14 provides a number of examples of capacity-building activities that may be eligible for GEF funding.

#### *Opportunities for Advancing "Foundational" Capacities for the Sound Management of Chemicals in the context of the Implementation of the Stockholm Convention*

35. The GEF submitted an information paper to the Second Meeting of the Preparatory Committee for a Strategic Approach to International Chemicals Management (SAICM PrepCom II) entitled, "GEF's Work in Support to the Implementation of the Stockholm Convention: Opportunities for Advancing Global Sound Management of Chemicals" (SAICM/PREPCOM.2/INF16).<sup>10</sup> This paper emphasises the GEF's core mandate in support to the Stockholm Convention, but describes also how capacities for broader sound management of chemicals, as countries in the SAICM process are currently discussing these needs, are and can be

<sup>10</sup> The First Meeting of the Preparatory Committee had requested that the SAICM Preparatory Committee be kept apprised of developments with respect to the GEF, in particular with respect to work by the GEF Council to develop a strategic approach for the enhancement of capacity-building.

further improved through implementation of the GEF's core mandate. This paper is being submitted to COP-1 for the information of the Parties to the Stockholm Convention.

36. The SAICM information paper notes that there are cases when actions taken in support to the Stockholm Convention lend themselves logically to the advancement of "foundational" capacities essential for broader sound management of chemicals in a country. For example, when implementing the NIPs, it will be necessary to frame the proposed intervention within the overall regime for chemicals management in the country<sup>11</sup>. This will be particularly true for capacity-building components of NIP implementation<sup>12</sup>.

### **Expansion of the GEF STAP to include POPs work**

37. The Scientific and Technical Advisory Panel of the GEF (STAP) is an independent body that provides cutting-edge scientific and technical input to GEF policies and operations and is the link between the scientific and technical community and the GEF as a whole. The number of STAP members has been increased to reflect the new POPs focal area (and also Land Degradation), and STAP now counts two members with expertise in the field of POPs, and persistent toxic substances generally.

38. Past activities of the STAP relevant to POPs include the organisation of two workshops: "Workshop on the use of bioindicators, biomarkers and analytical methods for the analysis of POPs in developing countries", 10-12 December 2003, Tsukuba City, Japan, and "Workshop on Emerging Innovative Technologies for the Destruction and Decontamination of Obsolete POPs", 1st-3rd October 2003, Washington D.C., USA. All meeting documents reports are available on the STAP website<sup>13</sup>. In particular the STAP's work on POPs includes a well-received and distributed critical overview of non-combustion technologies<sup>14</sup>.

## **SECTION 2: GEF PROJECT ACTIVITIES**

39. Since adoption of the Stockholm Convention in May 2001, and until January 15 2005, the GEF provided more than US\$ 140 million in incremental support for POPs projects that had co-financing of US\$ 90.6 million. Almost half of the GEF funds were provided for enabling activities, and the rest for medium- and full-sized projects (see Annex B for these projects).

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<sup>11</sup> This notion is operational, for example, in recommendations to develop a National Profile and establish a PRTR or equivalent in the course of NIP development.

<sup>12</sup> For example, when policy and legislative frameworks are being developed to address POPs consistent with the Stockholm Convention, it would be an inefficient intervention to not develop these in a way that enables the country to also address other toxic and hazardous chemicals (i.e. chemicals management enabling legislation). Similar circumstances will also arise in inventory development; development of models for managing POPs or other contaminants; environmentally sound management of wastes; and creating infrastructure for chemicals management; etc.

<sup>13</sup> <http://www.unep.org/stagef/home/index.htm>

<sup>14</sup> *Review of emerging, innovative technologies for the destruction and decontamination of POPs and the identification of promising technologies for use in developing countries*, STAP, January 2004

40. The emphasis of GEF support for the Convention is on the obligations of the Convention, and the priorities identified in NIPs, with priority policy and regulatory reforms, capacity building, and investments needed to implement the NIPs providing the primary framework for GEF support. The Stockholm Convention requires that Parties develop and endeavour to implement a NIP that describes how that country will meet its obligations under the Convention. The NIP must be transmitted to the COP within two years of entry into force of the Convention for a given Party, and must be kept under review and up to date. The NIP sets national priorities for initiating future activities to protect human health and the environment from POPs.

41. Given the importance of NIPs as a vehicle for Stockholm Convention implementation, GEF implementation support since adoption of the Convention has emphasized enabling activities, based on the expedited process for these activities, as described above. As of January 15, 2005, the GEF has approved 119 GEF-eligible country proposals for NIP enabling activities for which the GEF has contributed US \$64.2 million (see Table 1 for an overview and Annex A for a detailed list of GEF funded NIPs under development). This includes 103 proposals under expedited processing; 12 countries part of a UNEP pilot project; and 4 countries following the normal project cycle (with one full NIP project approved and three under preparation). In addition, six proposals are pending approval.

42. Three countries that are not eligible for GEF funding under paragraph 9(b) of the instrument have submitted proposals for NIP development funding under expedited procedures: United Arab Emirates, Bahrain, and Brunei. The Stockholm Convention refers to developing country Parties and Parties with economies in transition as the target for the provision of financial assistance. Under paragraph 9(a) of the GEF Instrument, the GEF relies on the eligibility criteria decided by the Conference of the Parties. In the absence of COP guidance, the GEF relies on paragraph 9(b) of its Instrument which states that countries are eligible for assistance if they are eligible to borrow from the World Bank or if they are an eligible recipient of UNDP technical assistance through country specific programming of resources (as opposed to countries that can only receive UNDP assistance through regional or interregional programs). In Decision INC-7/9, the GEF was requested to follow the eligibility criteria of paragraph 9(b) in determining which countries are “developing countries and countries with economies in transition.”

43. Since United Arab Emirates, Bahrain and Brunei are not eligible for GEF financing except under clear guidance from a Convention, approval of these proposals is deferred pending further guidance from the COP on this matter.

**Table 1 - Status of the NIPs Portfolio as of Jan 15, 2005**

<b>Status of approval</b>	
103 proposals have been approved under expedited procedures	
6 proposals are pending approval	
India and Brazil are receiving PDF-B funding towards enabling activities full projects	
China's full project proposal is under implementation	
Russia is engaged through a PDF-A proposal	
12 countries are part of UNEP pilot project	
<b>Distribution by Agency of approved proposals (including PDFs)</b>	
UNDP:	22 countries
UNEP:	54 countries (including pilot project)
UNIDO:	39 countries
World Bank:	4 countries
<b>Distribution by Region (including UNEP pilot and PDFs)</b>	
Africa:	42 countries
Asia and the Pacific:	32 countries
Europe and Central Asia:	24 countries
Latin America and the Caribbean:	21 countries

44. Table 2 gives an idea of overall progress in NIP development by indicating how many countries are at a particular stage in the process. Eleven countries have a draft or completed (1 country) NIP, six countries are in the drafting process, and another twenty-four countries have completed all fact finding activities – inventories etc – and are in the process of defining their priorities.

**Table 2 - Progress in NIP development: status as of 10 November 2004 (number of countries)**

Phase <sup>a</sup>	I	II	III	IV	V	Total
<b>UNDP</b>	7	10	2	1	2	22
<b>UNEP</b>	13	19	19	3	0	54
<b>UNIDO</b>	6	20	3	2	8	39
<b>WB</b>	2	1			1	4
<b>Total</b>	28	50	24	6	11	119

a. The GEF guidelines and the draft guidance document for developing a NIP for the Stockholm Convention recommend that a 5-phase process be followed in developing a NIP. In this table, countries with a draft NIP are accounted for under Phase V.

### SECTION 3: FINANCIAL SUMMARY OF GEF SUPPORT FOR ACTIVITIES UNDER THE POPS FOCAL AREA

#### Rate of disbursements/access to expedited resources

45. Since the adoption of the Stockholm Convention, the GEF Council has approved \$140.5 million for enabling activities, medium-sized projects and full-sized projects related to the POPS focal area. A number of projects are in the pipeline and receiving project preparation funding. These projects, which are expected to mature by June 2006, are projected to represent an approximate additional \$96 million of GEF funds.

46. The rate of utilization of funds for the POPS focal area has thus far been constrained to a degree by the initial emphasis placed on enabling activities and NIP implementation as the main priority. However, the status of NIP projects as of November 2004 (see Table 2) shows that a large number of NIPs are either close to completion or advanced enough in their preparation that they can be used to justify requests for funding for priority implementation activities. It is therefore expected that a number of Parties will be proposing projects to implement their NIPs in the near future, thereby greatly increasing the demand on GEF resources.

**Table 3 - Financing of POPS projects**

Type of POPS projects (POPs focal area)	GEF Financing (US\$ million) (including Implementing Agency fees)	Co-financing (US\$ million)
Enabling activities (NIPs)	64.2	14.3 <sup>a</sup>
Full-sized and medium-sized projects approved by the GEF Council <sup>b</sup>	76.3	76.3
<b>Subtotal</b>	<b>140.5</b>	<b>90.6</b>
Full-sized POPS projects in the GEF pipeline under preparation <sup>c</sup>	96	92

<sup>a</sup> Co-financing is typically limited for GEF funded enabling activities under expedited procedures.

<sup>b</sup> Projects approved by Council still must proceed through the Implementing Agency approval process, such that some of the projects noted here are not yet effective.

<sup>c</sup> To date, 10 projects have entered the GEF pipeline following discussion of a concept document, and are receiving GEF funding for their preparation (PDF). They are expected to be submitted to the GEF Council for approval during the current GEF-3 replenishment period (by June 2006).

## SECTION 4: MONITORING AND EVALUATION

### POPs projects and programs

47. GEF-funded projects and programs on POPs are subject to the monitoring and evaluation procedures and requirements of the GEF. Additionally, the GEF will develop program-level indicators to monitor the overall performance and outcomes of activities under the POPs focal area.

48. At the project level, it is expected that each project will develop outcome indicators, with baseline information developed during project preparation and the first year of implementation. Emphasis will be placed on the dissemination of lessons learned at the portfolio level and the exchange of experience between clusters of related projects.

49. Reports generated from the monitoring and evaluation activities of the GEF are typically made available to the COPs of the Conventions for which the GEF serves as the financial mechanism. In particular, the GEF Project Performance Review (PPR) which draws on the findings of the yearly Project Implementation Review (PIR),<sup>15</sup> as well as incorporating lessons and recommendations from other instruments such as Terminal Evaluation Reviews (TERs) or ad hoc thematic studies. At the time of reporting, the most recent PPR is the 2003 PPR<sup>16</sup> which does not take POPs into account because of the lack of maturity of the focal area, but does contain generally applicable lessons.

### Study of GEF's Overall Performance

50. The GEF Council approved the Terms of Reference for the *Third Overall Performance Study* (OPS3) of the GEF in May 2004. The study's purpose is to assess the extent to which GEF has achieved, or is on its way towards achieving its main objectives, as provided in the GEF Instrument and subsequent decisions by the GEF Council and the Assembly. The study will contribute to the next replenishment process of the GEF Trust Fund. There are five main topics for the study: (a) operational and program results; (b) sustainability of results; (c) effects of GEF operations on other institutions and related issues; (d) effects of GEF's institutional structure and procedures on results; and (e) effects of GEF implementation processes. OPS3 should be completed by May 2005 and will be available to the next COP meeting.

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<sup>15</sup> The PIR is a monitoring process based upon reporting by the GEF Implementing and Executing Agencies on all projects that have been under implementation for at least one year. Under the PIR, projects are assessed on their implementation progress and likelihood of attaining their development and global environment objectives.

<sup>16</sup> Available at <http://www.thegef.org/MonitoringandEvaluation/MEPublications/MEPPPR/mepppr.html>

**ANNEX A: LIST OF COUNTRIES FOR WHICH POPS ENABLING ACTIVITIES HAVE BEEN  
APPROVED, AS OF JANUARY 15, 2005**

Country	Agency	Country	Agency	Country	Agency
Albania	UNDP	Guinea-Bissau	UNEP	Pakistan	UNDP
Algeria	UNIDO	Haiti	UNEP	Palau	UNEP
Antigua and Barb.	UNEP	Honduras	UNDP	Papua New Guinea <sup>1</sup>	UNEP
Argentina	UNEP	Hungary	UNIDO	Paraguay	UNEP
Armenia	UNIDO	India <sup>3</sup>	UNIDO	Peru	UNEP
Azerbaijan	UNIDO	Indonesia	UNIDO	Philippines	UNDP
Bangladesh	UNDP	Iran	UNDP	Poland	UNIDO
Barbados <sup>1</sup>	UNEP	Jamaica	UNDP	Romania	UNIDO
Belarus	World Bank	Jordan	UNEP	Russian Federation <sup>4</sup>	UNEP
Benin	UNEP	Kazakhstan	UNDP	Rwanda	UNIDO
Bolivia	UNIDO	Kenya	UNEP	Samoa	UNDP
Botswana	UNIDO	Kiribati	UNEP	Sao Tome and Prin.	UNIDO
Brazil <sup>3</sup>	UNEP	Korea DPR	UNDP	Senegal	UNEP
Bulgaria <sup>1</sup>	UNEP	Kyrgyzstan	UNEP	Serbia and Mont.	UNEP
Burkina Faso	UNDP	Lao PDR	UNIDO	Seychelles	UNIDO
Burundi	UNIDO	Latvia	UNDP	Slovak Republic	UNDP
Cambodia	UNEP	Lebanon <sup>1</sup>	UNEP	Slovenia <sup>1</sup>	UNEP
Cameroon	UNEP	Lesotho	UNIDO	South Africa	UNEP
Central Afric. Rep.	UNIDO	Liberia	UNIDO	Sri Lanka	UNEP
Chad	UNIDO	Lithuania	UNDP	St. Lucia	UNEP
Chile <sup>1</sup>	UNEP	Macedonia	UNIDO	Sudan	UNDP
China <sup>2</sup>	UNIDO	Madagascar	UNEP	Syria	UNEP
Colombia	World Bank	Malaysia <sup>1</sup>	UNEP	Tajikistan	UNEP
Comoros	UNDP	Malawi	UNIDO	Tanzania	UNIDO
Congo	UNIDO	Mali <sup>1</sup>	UNEP	Thailand	UNEP
Costa Rica	UNEP	Marshall Islands	UNEP	Togo	UNIDO
Cote d'Ivoire	UNEP	Mauritania	UNEP	Tonga	UNEP
Croatia	UNIDO	Mauritius	UNDP	Tunisia	UNEP
Cuba	UNEP	Mexico	World Bank	Turkey	UNIDO
Czech Republic	UNIDO	Micronesia <sup>1</sup>	UNEP	Ukraine	UNEP
Djibouti	UNIDO	Moldova	World Bank	Uruguay	UNEP
Ecuador <sup>1</sup>	UNEP	Mongolia	UNIDO	Vanuatu	UNEP
Egypt	UNIDO	Morocco	UNDP	Venezuela	UNIDO
Etiopía	UNIDO	Mozambique	UNEP	Vietnam	UNDP
Fiji	UNEP	Nauru	UNEP	Yemen	UNEP
Gabon	UNIDO	Nepal	UNIDO	Zambia <sup>1</sup>	UNEP
Gambia	UNEP	Nicaragua	UNDP	Zimbabwe	UNEP
Georgia	UNDP	Niger	UNIDO		
Ghana	UNIDO	Nigeria	UNIDO		
Guatemala	UNIDO	Niue	UNDP		
Guinea <sup>1</sup>	UNEP	Oman	UNEP		

*Notes:*

1. Part of the pilot project "Development of National Implementation Plans for the management of POPs"
2. Full-size project under implementation
3. Full-size project under preparation: PDFB stage
4. Full-size project under preparation: PDFA stage

List of Countries with pending proposals, as of 15 Jan. 2005: Bosnia-Herzegovina, Dominican Republic, El Salvador, Palestinian Authority, Panama, Sierra Leone.

**ANNEX B: MEDIUM AND FULL-SIZED POPS PROJECTS APPROVED BY THE GEF COUNCIL SINCE ADOPTION OF THE STOCKHOLM CONVENTION, AS OF JANUARY 15, 2005**

**Support for the Implementation of the Stockholm Convention on Persistent Organic Pollutants  
Medium-size project, ended**

**Implementation: UNEP; Execution: UNEP Chemicals Unit**

**GEF funding: US\$ 0.9 million; Total project cost: US\$ 1.8 million**

51. This capacity-building project supported nine regional workshops held from 2001-2003 aimed at improving government understanding of the Stockholm Convention, and the benefits of and the need to become a Party; helping countries understand what their obligations are under the Stockholm Convention; encouraging and facilitating early ratification of the Convention; facilitating eligible countries' access to GEF resources for enabling activities and NIP development and the implementation of the Convention; helping governments to begin the process of developing a National Implementation Plan (NIP) and other implementation/enabling activities under the Convention; and encouraging co-operative partnerships among different sectors and stakeholders for the implementation of the Convention.

**Fostering Active and Effective Civil Society Participation in Preparations for Implementation of the Stockholm Convention**

**Medium-size project approved May 2003**

**Implementation: UNEP and UNIDO; Execution: Environmental Health Fund on behalf of IPEN**

**GEF funding: US\$ 1 million; Total project cost: US\$ 2 million**

52. The NGO-POPs Elimination Project aims to increase the capacity of NGOs in developing countries and countries with economies in transition to play a constructive and effective role in Stockholm Convention implementation. The project operates in a large number of countries and facilitates, promotes and supports engagement by public interest NGOs in activities associated with the preparation of their country's Stockholm Convention National Implementation Plans and awareness raising activities through the preparation of country-specific reports and policy briefs. The Project will also create support mechanisms at the global, regional, and national levels for NGO efforts relating to POPs and other PTS which are expected to be sustainable beyond the duration of the project and will help expand POPs-related capacity and competence of NGOs and civil society in a large number of countries over time.

**Assessment of Existing Capacity and Capacity Building Needs to Analyze POPs in Developing Countries**

**Medium-size project approved April 2004**

**Implementation: UNEP; Execution: UNEP Chemicals Unit**

**GEF funding: US \$0.395; Total project cost US \$1.316**

53. The overall objective of the project is to assess the convention-driven country needs for laboratory analysis and the conditions necessary to conduct them in a sustainable manner, including on a regional basis

if appropriate. The pilot study will explore the feasibility of establishing a fully equipped laboratory in a developing country for analysis of all twelve POPs, including dioxins and furans in relevant matrices.

**Action Plan Training/Skills Building for 25 Least Developed Countries to assist with National Implementation Plan Development under the Stockholm Convention**

**Medium-sized project approved March 2004**

**Implementation: UNDP; Execution: UNITAR**

**GEF funding US\$1 million; Total project cost US \$2 million**

54. Least Developed Countries that are receiving GEF funding for NIP development are required to develop action plans on specific Stockholm Convention-related issues. Skills building/training on action plan development, combined with concrete follow-up activities will assist least developed countries to have the necessary tools to fully plan for and document the costed interventions necessary for implementation of the Convention. Project objectives include raising awareness among training recipients of relevant approaches to project and strategic planning; ensuring training recipients are familiar with, and able to effectively use, key project planning and strategic tools and methodologies; applying such action plan development approaches in the context of the Stockholm Convention; and sharing experiences and lessons learned between countries receiving the training, and identify possible country-driven follow-up activities.

**African Stockpile Programme (ASP): first phase**

**Full size project approved October 2002**

**Implementation: WB and FAO, in collaboration with WWF and in cooperation with a multi-stakeholder partnership of International Governmental Organizations (IGOs): UNIDO, UNEP, Basel and Stockholm Convention Secretariats, African IGOs (AU, UNECA, AfDB), NGOs (PAN-UK, PAN-Africa), and industry**

**GEF funding (first phase): US\$ 25.3 million; Total project cost (first phase): US\$ 60 million**

**Total program anticipated cost: US\$ 250 million (over 12-15 years)**

55. The project is the first phase of a 15-year program aimed at (1) removal of all obsolete pesticide stockpiles from Africa and their destruction in an environmentally sound manner (2) remediation of contaminated stockpiles sites (3) catalyzation of preventive measures to promote sustainability of the operation by preventing the creation of new stockpiles while also building capacity building and institutional strengthening on important chemicals-related issues. Prevention measures include reduced reliance on pesticides for agriculture and public health; better import controls, storage, stock management and distribution systems; improved awareness and training for pesticide users; capacity building in poison centres and analytical laboratories; and establishment of container and pesticide waste management systems. The program is based on extensive preparatory work by FAO over the last decade. A number of overlapping phases are envisaged.

**Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America**

**Full-size project approved May 2002**

**Implementation: UNEP; Execution: PAHO (WHO Regional Office for the Americas); national Health Ministries**

**GEF funding: US\$ 6.6 million; Total project cost: US\$ 13.9 million**

56. DDT is given a special place in the Convention as the only compound that can be used with an acceptable purpose: for disease vector control, in accordance with the Convention exemption and until safe, affordable, and effective alternatives are developed and available. The GEF, in partnership with WHO, is addressing this pressing matter on two fronts. In May 2002, the GEF Council approved a UNEP-implemented, PAHO-executed (WHO Office for the Americas) project in support of sustainable alternatives to DDT for Malaria Vector Control in Mexico and Central America. In March 2002, the GEF approved a preparation grant (PDF-B) for a similar project in Africa: Prevention of Human and Environmental Exposure to DDT and other Toxic Pesticides and Strengthening of Malaria Control Programmes in Africa. This project is being implemented by UNEP, and is executed by AFRO, WHO's regional office for Africa.

**Slovakia - Programme to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-Combustion Technologies for Destroying Persistent Organic Pollutants (POPs)**

**Full-size project approved May 2003.**

**Implementation: UNDP; Execution: UNIDO in collaboration with Environmental Health Fund**

**GEF funding: US\$ 10.6 million; Total project cost: US\$ 20.7 million**

57. In the face of almost non-existent capacity for the destruction of POPs in GEF client countries, the overall objective of the Program is to demonstrate the viability and acceptability of available non-combustion technologies for use in the destruction of obsolete POPs stockpiles. By so doing, the project intends to remove barriers to the further adoption and effective implementation of such technologies in countries with developing economies and economies in transition. Activities include specific and documented actions to ensure replicability and sustainability; and the recruitment of donors to strengthen co-finance participation within the program and associated projects.

**Philippines - Demonstration of the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-Combustion Technologies for Destroying Persistent Organic Pollutants (POPs)**

**Full-size project approved May 2004**

**Implementation: UNDP; Execution: UNIDO in collaboration with Environmental Health Fund**

**GEF funding: US\$ 4.6 million; Total project cost: US\$ 12.3 million**

58. The second phase of the Program will take place in the Philippines, to demonstrate results under significantly different socio-economic, regulatory, and technical (type of POPs wastes) conditions. The specific project will target approximately 4600 tons of PCB wastes.

**China – PCB Management and Disposal Demonstration**

**Full-size project approved November 2004**

**Implementation: WB; Execution: SEPA**

**GEF funding: US\$ 18.6 million; Total project cost: US\$ 31.8 million**

59. Although China no longer produces PCBs, thousands of tons of PCBs still exist around the country. A large amount of discarded PCBs has not been disposed of effectively and leaking has been reported in some storage sites. The project will focus on a demonstration area and will (a) identify locations of all PCB storage sites, (b) prevent leakage from the sites, (c) collect all PCB containing equipment, (d) recover PCB containing oils, and dispose them in an environmentally safe matter, (e) develop the local capacity required to perform these tasks and the national capacity to disseminate and apply the lessons learned, and (f) design a national replication program and disseminate the project's lessons regionally and globally.