



SAICM/ICCM.2/INF/23

Distr.: General
4 May 2009



Strategic Approach
to International
Chemicals Management

English only

International Conference on Chemicals Management

Second session

Geneva, 11–15 May 2009

Item 4 (e) of the provisional agenda*

Implementation of the Strategic Approach to International

Chemicals Management: financial and technical resources for implementation

Report by the Secretariat of the Global Environment Facility on its support for projects relevant to the implementation of the Strategic Approach to International Chemicals Management

Note by the secretariat

The secretariat has the honour to circulate, in the annex to the present note, a report by the Secretariat of the Global Environment Facility on its support for projects relevant to the implementation of the Strategic Approach to International Chemicals Management. The document is presented as received, without formal editing, and is provided for the information of the Conference.

* SAICM/ICCM.2/1.

K0951727 050509

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Annex



Global Environment Facility

May 2, 2009

GEF'S WORK IN SUPPORT OF THE IMPLEMENTATION OF THE STRATEGIC APPROACH TO INTERNATIONAL CHEMICALS MANAGEMENT

INFORMATION PAPER FOR SUBMISSION TO THE 2ND SESSION OF THE INTERNATIONAL CONFERENCE ON CHEMICALS MANAGEMENT, MAY 11-15, 2009; GENEVA, SWITZERLAND

I. INTRODUCTION

PURPOSE

1. This information note is submitted to the second meeting of the International Conference on Chemicals Management (ICCM) of the Strategic Approach to International Chemicals Management (SAICM) to inform the Conference about GEF activities related to the sound management of chemicals (SMC) globally.
2. This note builds upon a paper¹ prepared by the GEF for the second session of the Preparatory Committee for the Development of the Strategic Approach. That prior paper examined how GEF programs for Persistent Organic Pollutants (POPs), Ozone-Depleting Substances (ODS), and International Waters (IW), as well as capacity building more generally, could provide opportunities for countries to advance sound chemicals management. Most of the principles articulated in that earlier paper remain valid and are not repeated here.
3. This paper examines the development and implementation of the GEF-4 strategies for POPs, ODS, and sound chemicals management as a cross-cutting issue, and at how these strategies contribute to GEF support of activities in implementation of the SAICM in developing countries and countries with economies in transition.
4. This paper is consistent with the over-arching mandate and operating principles of the GEF, its relevant focal areas, including POPs, ODS, and IW, and the related GEF-4 strategies for those focal areas.

¹ *GEF's Role in Support of the Implementation of the Stockholm Convention: Opportunities for Advancing Global Sound Management of Chemicals*; SAICM/PREPCOM.2/INF/16
http://www.thegef.org/Documents/Council_Documents/GEF_C24/C.24.Inf.4_SAICM_FINAL.doc

STRUCTURE OF THE PAPER

5. This paper has four substantive sections:
- Section 2 shows where SAICM objectives are reflected in current GEF programs;
 - Section 3 provides a brief overview of the GEF's mandate, core principles and structure;
 - Section 4 describes the various focal areas of the GEF that bear the greatest relevance to SMC issues; and
 - Section 5 concludes, offering a future outlook.

II. REFLECTING SAICM OBJECTIVES IN GEF PROGRAMS

6. SAICM objectives are explicitly reflected in the "objectives" statement of the Sound Chemicals Management Framework Strategy for GEF-4², adopted by the GEF Council in October 2007 to guide GEF-4 programming and to replace the previously existing "Operational Programs".

7. As stated in that strategy document: "[T]he *strategic objective* of the GEF in addressing the cross-cutting issue of sound chemicals management is to promote sound management of chemicals practices in all relevant aspects of GEF programs, for the protection of human health and the global environment, and to contribute to the overall objective of the Strategic Approach to International Chemicals Management of achieving the sound management of chemicals throughout their life-cycle so that by 2020 chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment" (emphasis added).

8. Moreover, the "expected impacts" of pursuing this objective, as stated in the GEF-4 Framework Strategy, are:

- "Sound management of chemicals principles and practices are reflected in the development and implementation of projects in all GEF focal areas" and
- "Enhanced synergies in the implementation of chemicals and waste-related international agreements, in particular the implementation of SAICM."

9. This paper will provide examples of GEF projects that support SAICM, especially those in the Persistent Organic Pollutants and International Waters focal areas.

III. HOW THE GEF WORKS

LARGEST SINGLE SOURCE OF FUNDING OF THE GLOBAL ENVIRONMENTAL AGENDA

10. The GEF is the largest dedicated source of funding for global environmental initiatives. Its overarching objective, as stated in the *Instrument for the Establishment of the Restructured GEF*³, is

2 *Sound chemicals management framework strategy and strategic programming for GEF-4*
http://www.thegef.org/uploadedFiles/Policies/Focal_Area_Strategies/GEF_4_strategy_SCM_Oct_2007.pdf

to provide new and additional grant and concessional funding to meet incremental costs of measures to achieve agreed global environmental benefits. At present, the GEF has 177 members.

11. The GEF operates in six focal areas: Biodiversity, Climate Change, International Waters, Land Degradation, Ozone Layer Depletion, and Persistent Organic Pollutants.

12. The GEF Instrument stipulates that in the execution of its mandate, “the GEF shall ensure the cost-effectiveness of its activities in addressing the targeted global environmental issues, shall fund programs and projects that are country-driven and based on national priorities designed to support sustainable development and shall maintain sufficient flexibility to respond to changing circumstances in order to achieve its purposes”.

13. In seeking to maximize global environmental benefits, the GEF emphasizes its catalytic role, including by: leveraging additional financial resources from the public and private sectors; and catalyzing results by innovation, demonstration and replication. Sustainability and replication of interventions are cornerstones of the GEF’s operations.

THE GEF FUNCTIONS THROUGH COLLABORATION AND PARTNERSHIPS

14. The GEF operates on the basis of collaboration and partnership among its Agencies: the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank (WB), the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), the United Nations Industrial Development Organization (UNIDO), the Food and Agriculture Organization (FAO), the European Bank for Reconstruction and Development (EBRD), and the International Fund for Agricultural Development (IFAD). These agencies are themselves accountable to the GEF Council for their GEF-financed activities, including preparation and cost-effectiveness of GEF projects, and implementation of operational policies, strategies and decisions of the GEF Council within their respective competencies.

15. The GEF Secretariat and its partner agencies, under guidance of the GEF Council, seek to coordinate their activities and pursue synergies, and cooperate with other international organizations to promote achievement of the purposes of the GEF, consistent with national priorities.

16. GEF projects are expected to be co-financed by project partners. These are resources committed in various forms that are essential for the objectives of the project funded by the GEF. Co-financing can be generated from recipient governments and other stakeholders, such as other multilateral agencies (including the GEF agencies), bilateral donor agencies, NGOs, and beneficiaries, as project circumstances warrant or allow.⁴

IV. GEF’S CHEMICALS-RELATED ACTIVITIES

3 *Instrument for the Establishment of the Restructured Global Environment Facility*
http://www.thegef.org/uploadedFiles/GEF_Instrument_March08.pdf

4 Consideration is given to the specific circumstances of each country with regards their opportunity to raise co-financing, particularly for LDCs and SIDS.

17. The scope of the GEF's mandate to support the sound management of chemicals is defined primarily by:

- The *POPs* focal area, established in 2002 by a GEF Assembly amendment to the GEF Instrument in support of the GEF's role as the financial mechanism for the Stockholm Convention;
- The Ozone Layer Depletion focal area, which was established to support the implementation of the Montreal Protocol in the countries with economies in transition;
- The cross-cutting Sound Chemicals Management Framework Strategy for GEF-4, established as seen above with the goal of "supporting sound chemicals management across [GEF] focal areas . . . [in order] to contribute to the implementation of Agenda 21 and the Johannesburg Plan of Implementation, through activities that promote the sound management of chemicals and bring global environmental benefits in the GEF focal areas, in order to protect human health and the environment."

POPs FOCAL AREA

18. The objective of the GEF-4 strategy for the POPs focal area⁵ is "to protect human health and the environment by assisting countries to reduce and eliminate production, use, and releases of POPs, and consequently contribute generally to capacity development for the sound management of chemicals." This objective is consistent with that of the Stockholm Convention, which is aimed at protecting human health and the environment from POPs.

19. Specifically, and in response to the cross-cutting strategy, the first objective statement of the POPs strategy is to "strengthen and/or build the capacity required in eligible countries to implement their Stockholm Convention NIPs in a sustainable, effective and comprehensive manner, while building upon and contributing to strengthening a country's foundational capacities for sound management of chemicals more generally". This is further defined as to "include assisting those countries that lag the farthest behind to establish basic foundational capacities for the sound management of chemicals." Reference is also made to the SAICM (and Basel and Rotterdam Conventions) to note that "[C]ooperation and coordination to enhance synergies with countries' responses to related multilateral environmental agreements addressing chemicals issues will be encouraged."

20. Regarding the Stockholm National Implementation Plan development process, the strategy provides that "[E]fforts will be made to ensure that the NIP development process is embedded in a country's institutional framework for the sound management of chemicals, thereby contributing to strengthening that framework."

21. Therefore, in principle, all projects funded under the POPs focal area help build chemicals management capacity in general, and are aligned with the broader objectives of the SAICM and with many of its specific goals as well. In the following paragraphs, we highlight examples of projects that are more explicit in their support of SAICM, or that most obviously strengthen capacities for broader chemicals management:

5 *Persistent Organic Pollutants focal area strategy and strategic programming for GEF-4*
http://www.thegef.org/uploadedFiles/Policies/Focal_Area_Strategies/GEF_4_strategy_POP_Oct_2007.pdf

- Obsolete pesticides prevention, removal, and disposal. The GEF is supporting a number of projects and programs that address this set of issues. For example, the Africa Stockpiles Program, but also a number of other initiatives in countries such as Belarus, Honduras, Nicaragua, Syria, Tajikistan, or Vietnam. These projects support a number of SAICM objectives. First, because they typically address all obsolete pesticides that can be found mixed together in stores - POPs and non-POPs. Second, because they include prevention components, such as promotion of integrated pest management or strengthening of capacity to control illegal trade, that can be applied in a wide range of situations and that are not limited to POPs, strictly speaking. In total, the GEF has so far allocated more than \$50m to this issue.
- In implementing the cross-cutting strategy for sound chemicals management, a number of projects actively promote the integration of POPs management within the institutional and regulatory framework for chemicals management within countries, and are co-financed with Quick Start Programme (QSP) funds to facilitate this effort. This is the case for instance with the project on strengthening national management capacities and reducing releases of POPs in Honduras; or for the project on management and containment of POPs pesticides in Nicaragua; or for the project on management and disposal of PCBs in Kyrgyzstan that seeks to link the PCB work to the broader national chemicals agenda in support of the SAICM. A framework program under preparation for Stockholm Convention implementation in Least Developed Countries (LDCs) and Small Island Developing States (SIDS) in Africa includes as one of its objectives to contribute to strengthening countries' foundational capacities for the sound management of chemicals.
- PRTRs. A multi-country project will develop and strengthen pollutant release and transfer registers (PRTRs) in a dozen of countries around the world, in response to requirements for monitoring, information exchange, and reporting under the Stockholm Convention, but with broader applicability beyond POPs. That project is also co-financed by the QSP.

INTERNATIONAL WATERS FOCAL AREA

22. In the international waters focal area, a number of past and planned interventions are directly concerned with chemicals management activities. In the context of reducing land-based sources of pollution, GEF projects target specific sites, or sectors, such as pesticides misuse in tropical agriculture, toxic contaminants from mining, or industrial pollution discharges. Projects that address persistent toxic substances beyond the twelve POPs initially controlled by the Stockholm Convention have been supported, in particular regarding mercury.

23. Some recent examples of International Waters projects from various regions of the world that address persistent toxic substances or chemicals pollution include a project to reduce persistent toxic substances contamination and nutrient over-enrichment in the Lake Baikal Basin; a project to address agricultural and non-point sources of pollution in Shanghai; a number of related projects to address land-based sources of pollution to the Mediterranean; and activities tackling pollution hot spots in the Seas of East Asia.

BIODIVERSITY FOCAL AREA

24. The increasing emphasis in the biodiversity focal area on mainstreaming biodiversity in production landscapes and seascapes brings strong opportunities for promoting sound chemicals management. One component of the GEF's biodiversity strategy during GEF-4 is to promote the mainstreaming of biodiversity considerations in three priority sectors: agriculture, fisheries, and forestry. By way of example, agro-forestry projects are often concerned with reducing the inputs of chemicals in the systems that they seek to protect; projects supporting shade-grown coffee or cocoa promote integrated pest management (IPM) and forbid the use of prohibited chemicals; forest certification schemes can prohibit the use of the most toxic, persistent and bio-accumulative chemicals.

CLIMATE CHANGE FOCAL AREA

25. A number of opportunities exist with GEF climate mitigation activities. Incidental health and environmental benefits result from GEF interventions—whether energy efficiency, renewable energy, or sustainable transportation—that displace or reduce the combustion of fossil fuels. These incidental benefits may stem from significant reductions in mercury, SO₂, NO_x, polycyclic aromatic hydrocarbons, etc., that would otherwise have been emitted. Many energy efficiency interventions address sectors that potentially release relatively large amounts of chemicals into the environment, e.g., steel, chemicals manufacturing, cement, pulp and paper, and textiles. Typically such interventions accompany a cleaner production approach that leads to reducing inputs including water, and reducing releases of toxic chemicals in emissions and effluents.

26. With respect to adaptation to climate change, an example of a possible intervention to adapt to climatic change is the need to control “new” pests, including vectors for diseases (e.g., malaria), due to the extension of the habitats of these pests. Another example is flood control management to protect a particular coastal zone and affected community, where the risk of chemical spills would have to be addressed in developing contingency plans for natural disasters.

LAND DEGRADATION FOCAL AREA

27. In the land degradation focal area, a number of GEF supported interventions target the agriculture sector where one of the recognized drivers for terrestrial ecosystem degradation is the mismanagement and overuse of fertilizers and pesticides for short-term economic gain. Projects targeting the agricultural sector are expected to include components that promote sustainable land management policies and practices including the reduction of synthetic pesticide and fertilizer use. Both strategic objectives of the land degradation focal area for GEF-4 offer opportunities to promote and/or further research farming practices and systems that emphasize natural biological processes that can reduce the use of costly chemical fertilizers, pest controls and other synthetic farm inputs.

V. CONCLUSION

28. The GEF has acted efficiently to reflect the objectives of the Strategic Approach in its programs and projects. The GEF-4 cross-cutting sound chemicals management strategy explicitly includes as one of its objectives to contribute to the overall objective of the Strategic Approach to International Chemicals Management. As seen in this note, a number of projects in the focal areas,

particularly the POPs and International Waters focal areas, directly address many of the objectives of the Strategic Approach.

29. Regarding POPs, crucial in the GEF-4 strategy is the explicit articulation of the principle that capacity building for POPs must take place, build upon, and strengthen a country's framework for sound chemicals management more generally. As a consequence of this principle, the strategy offers countries to take Stockholm Convention implementation as an opportunity to build the foundational capacities for sound management of chemicals that are often lacking, particularly for Least Developed Countries and Small Island Developing States. Because of this alignment of the POPs strategy with the broader objectives of the SAICM, it is fair to write that the \$360m that the GEF has committed to Stockholm Convention implementation does in fact contribute to the implementation of the Strategic approach in developing countries and countries with economies in transition.

30. Looking ahead, GEF-5 strategies are still being drafted and the replenishment discussions are on-going. Whilst it is not possible at present to predict what direction these discussions will take, the approach that the GEF has followed over the past years to ensure that the Stockholm Convention is not implemented in isolation from the broader regimes for chemicals management – at the national, regional and global levels - will remain prevalent. Countries building their capacity to implement the Stockholm Convention should, and inevitably will, be building capacity that can be utilized to address broader aspects of chemicals management and further the objectives of the SAICM.

31. The experience of the GEF over the past decade points to the desirability of increased integration amongst domains of interventions in addressing multi-faceted environmental issues. The GEF, with its capacity to address complex matters across a number of focal areas and with a variety of partners in a coordinated fashion, is well positioned to work with partner countries on the future implementation of the Strategic Approach.