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on Persistent Organic  
Pollutants**

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**Conference of the Parties to the Stockholm  
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Item 5 (g) of the provisional agenda\*

**Matters related to the implementation of  
the Convention: financial resources**

**Draft report on the third review of the financial mechanism**

**Note by the Secretariat**

As referred to in document UNEP/POPS/COP.6/23, the draft report on the third review of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants is set out in the annex to the present note. The draft report has been prepared by an independent consultant, ICF International. It is reproduced as submitted, without formal editing.

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\* UNEP/POPS/COP.6/1.

**Annex**

**DRAFT REPORT**

**THIRD REVIEW OF THE FINANCIAL  
MECHANISM OF THE STOCKHOLM  
CONVENTION**

**PREPARED FOR:**

Conference of the Parties to the Stockholm Convention for  
Consideration at its Sixth Meeting

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## Acronyms and Abbreviations

AfDB	African Development Bank
ADB	Asian Development Bank
BAT/BEP	Best available techniques / Best environmental practices
COP	Conference of the Parties
CBD	Convention on Biological Diversity
CPE	Country Portfolio Evaluation
DDT	Dichloro-diphenyl-trichloroethane
EBRD	European Bank for Reconstruction and Development
EO	Evaluation Office
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
JICA	Japan International Cooperation Agency
LDC	Least Developed Country
MOU	Memorandum of Understanding
NCW	National Chemicals and Wastes
NIP	National Implementation Plan
OCP	Official Contact Point
PIF	Project Identification Form
POPs	Persistent Organic Pollutants
POPRC	Persistent Organic Pollutants Review Committee
PMIS	Project Management Information System
PPG	Project Preparation Grant
RAF	Resource Allocation Framework
SAICM	Strategic Approach to International Chemicals Management
SIDS	Small Island Developing States
STAR	System for Transparent Allocation of Resources
TOR	Terms of Reference
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
WHO	World Health Organization
WSSD	World Summit on Sustainable Development

# Chapter 1

## Introduction

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The Stockholm Convention on Persistent Organic Pollutants (POPs) (herein referred to as the Stockholm Convention) was adopted in May 2001 by the delegates of the Conference of Plenipotentiaries and entered into force in May 2004. The Stockholm Convention is an international legally binding instrument for implementing international action on certain POPs to protect human health and the environment. These selected POPs are chemicals that resist biodegradation, and therefore remain intact in the environment for long periods. Because of their persistence, POPs become widely distributed in the environment and across ecosystems, bioaccumulate, and concentrate up the food chain, ultimately concentrating in the fatty tissue of apex predators, including humans, where they have adverse health impacts including reproductive and developmental impacts.

The Conference of the Parties (COP), which is made up of the 178 Parties to the Convention, is the governing and decision-making body of the Stockholm Convention. Meetings of the COP take place every two years with a total of five COP meetings having occurred to-date. The most recent meeting was held in April 2011.

The Stockholm Convention requires Parties to take measures to eliminate or reduce the release of the POPs listed in Annex A, B, and C of the Convention. To facilitate implementation, Article 7 requires each Party to prepare a National Implementation Plan (NIP) detailing how that Party will implement obligations under the Convention. As of May 2012, 138 Parties to the Convention had developed and transmitted an implementation plan to the COP.

Article 13, paragraph 6, of the Stockholm Convention established a financial mechanism for the provision of adequate and sustainable financial resources to developing country Parties and Parties with economies in transition to assist in their implementation of the Convention. Under Article 13, operation of the financial mechanism shall be entrusted to one or more entities, including existing international entities, and the mechanism may include other entities providing multilateral, regional, and bilateral financial and technical assistance. Article 14 of the Convention designated the Global Environment Facility (GEF) as the principal entity entrusted with the operations of the financial mechanism on an interim basis. In 2005, a Memorandum of Understanding (MOU), as contained in decision SC-1/11, was signed between the COP and the GEF Council, formalizing the terms of their relationship and assignment of responsibilities. In addition to the GEF, other entities providing multilateral, regional, and bilateral financial and technical assistance are part of the financial mechanism.

The GEF, which is funded by donor country contributions, is the largest public funder of projects to improve global environmental protection. In the resolutions adopted by the Conference of Plenipotentiaries, Parties to the Stockholm Convention were encouraged “to contribute adequate additional financial resources...in order to enable the GEF to effectively perform its mandate in terms of the Convention.” The GEF has been replenished five times since its establishment in 1991. Three replenishments—GEF-3, GEF-4, and GEF-5—have included funding in the POPs focal area for implementation of the Stockholm Convention. Most recently, the GEF-5 replenishment (2010-2014) allocated \$375 million to the POPs focal area.

The GEF Secretariat coordinates the formulation of POPs projects and oversees their implementation in conjunction with the 10 GEF Agencies—i.e., Asian Development Bank (ADB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), Food and Agriculture Organization of the United Nations (FAO), Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO), and the World Bank. From 2001-2006, projects focused on capacity building for the management of POPs and assistance with the preparation of NIPs. The focus from 2007-2012 has shifted to implementation of investment projects and capacity building activities that align with the priorities identified in each country’s NIP. These

projects include phase-out of production and/or consumption of POPs, management of exempted POPs, implementation of best available techniques and best environmental practices for reduction of the release of unintentionally produced POPs, and prevention and management of POPs waste.

The Stockholm Convention shares common objectives with two other multilateral environmental agreements that address the management of hazardous chemicals and wastes: the Rotterdam Convention to regulate the international trade of hazardous chemicals and pesticides, and the Basel Convention to control transboundary movements of hazardous wastes and their disposal. While these conventions are legally separate and each governed by their respective COP, the three COPs have adopted a series of decisions aimed at enhancing cooperation and coordination among the three conventions, known as the “synergies process.” As part of this process, the Secretariats of the three conventions have been restructured into one Secretariat of the Basel, Rotterdam and Stockholm Conventions. Governments have also called for greater collaboration on chemicals and wastes issues within and amongst governments. In this spirit, UNEP’s Governing Council decided in 2002 to advance the development of a Strategic Approach to International Chemicals Management (SAICM), which was endorsed by the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa in September 2002.

In accordance with Article 13, paragraph 8, which recognizes the need to periodically review the operation of the financial mechanism, the effectiveness of the financial mechanism has been reviewed by an independent evaluator in two prior periods; the first review covered the period from May 2001 to July 2005, while the second covered the period from July 2005 to October 2008. As part of decision SC-5/25, the COP requested a review of the financial mechanism for the period from November 2008 to July 2012. Consistent with previous evaluations, the Parties decided that this study should include an analysis of: (a) the financial mechanism’s ability to address the changing needs of developing-country Parties and Parties with economies in transition; (b) the criteria and guidance referred to in paragraph 7 of Article 13 of the Convention, including the financial mechanism’s ability to incorporate policy guidance from the Conference of the Parties; (c) the level of funding; and (d) the effectiveness of the GEF as the principal entity entrusted, on an interim basis, with the operation of the financial mechanism. The full terms of reference (TOR), as provided in Annex 1 of decision SC-5/25, is provided in Appendix A of this report.

The remainder of this report assesses the key areas detailed in the TOR, as adopted by the COP, and includes a summary of conclusions and recommendations that can be taken up to improve the effectiveness of the financial mechanism.

## Chapter 2 Methodology

This review was undertaken from May to November 2012 in accordance with the TOR adopted by the COP in decision SC-5/25. Paragraph 8 of the TOR specifies the elements that should be included in the third review. For clarity, Table 1 below maps these required elements to the chapters in this report.

**Table 1. Report Map to Terms of Reference**

Terms of Reference Area	Report Section
<b>paragraph 8(a):</b> <i>Overview of elements (a)-(d) of paragraph 1 above:</i>	
1(a): <i>The financial mechanism's ability to address the changing needs of developing-country Parties and Parties with economies in transition</i>	Chapter 5
1(b): <i>The criteria and guidance referred to in paragraph 7 of Article 13 of the Convention, including the financial mechanism's ability to incorporate policy guidance from the COP</i>	Chapter 4
1(c): <i>The level of funding</i>	Chapter 6
1(d): <i>The effectiveness of the performance of the institutional entities entrusted with the operation of the financial mechanism, including, pursuant to Article 14 of the Convention, the effectiveness of the performance of the GEF in its capacity as principal entity entrusted, on an interim basis, with the operation of the financial mechanism</i>	Chapter 7
<b>paragraph 8(b):</b> <i>Analysis of lessons learned from the activities funded by the financial mechanism during the period covered by the review</i>	Chapter 8
<b>paragraph 8(c):</b> <i>Assessment of the GEF principles of incremental cost and global environmental benefits as they pertain to activities relating to persistent organic pollutants in order to facilitate fulfillment of obligations under the Convention, along with lessons learned from the evaluation reports on GEF activities</i>	Chapter 7.2
<b>paragraph 8(d):</b> <i>Assessment of the adequacy, sustainability and predictability of the funding provided by the financial mechanism to implement the objectives of the Convention</i>	Chapter 6.1
<b>paragraph 8(e):</b> <i>Recommendations and guidance to improve the effectiveness of the financial mechanism in meeting the objectives of the Convention</i>	Chapter 3
<b>paragraph 8(f):</b> <i>Performance criteria set out in paragraph 10 below</i>	
10(a): <i>Responsiveness of the financial mechanism and the entities entrusted with its operation to guidance from the COP</i>	Chapter 0
10(b): <i>Responsiveness of GEF, in its capacity as principal entity entrusted with the operation of the financial mechanism on an interim basis, to the resolutions adopted on 22 May 2001 by the Conference of Plenipotentiaries relating to interim financial arrangements</i>	Chapter 4.2
10(c): <i>Transparency of the project approval process</i>	Chapter 7.1
10(d): <i>Procedures for accessing funds that are simple, flexible and expeditious</i>	Chapter 7.1
10(e): <i>Adequacy and sustainability of the resources</i>	Chapter 6.1
10(f): <i>Country ownership of activities funded by the financial mechanism</i>	Chapter 7.3
10(g): <i>Level of stakeholder involvement</i>	Chapter 7.4
10(h): <i>Any other significant issues raised by the Parties</i>	Chapter 7.5

The guiding framework for the review is provided in Appendix B. This review matrix was reviewed by the Stockholm Convention Secretariat to ensure that the approach for this review aligned with the TOR adopted by the COP in decision SC-5/25. The review matrix defines key review questions, performance indicators, and sources of information to assess each item in the TOR.

Evidence for this review was gathered through the following methods:

- **Desk study**—Key documents reviewed included those of the Stockholm Convention, the GEF, and other entities. A full list of documents consulted is provided in Appendix C.
- **Portfolio analysis**—Quantitative analysis was conducted using data from the GEF Project Management Information System (PMIS).
- **Questionnaire**—An online survey was sent to Official Contact Points (OCPs) of the Stockholm Convention representing developed and developing country Parties and Parties with economies in transition. Thirty-four Parties responded to the survey, including 24 recipient Parties and 10 donor Parties. To facilitate this survey process, a letter was disseminated by the Stockholm Convention Secretariat on ICF's behalf advising stakeholders of the process and soliciting their participation. ICF coordinated with the Stockholm Convention Secretariat to have a reminder about the questionnaire disseminated to all focal points, and to send a third correspondence notifying Parties that the deadline for response was extended by three weeks.
- **In-depth stakeholder interviews**—Semi-structured interviews were conducted with members of the GEF Secretariat, the GEF Evaluation Office (EO), GEF Agencies with POPs portfolios (UNIDO, UNEP, FAO, World Bank, and UNDP), and a small sample of donor and recipient countries.<sup>1</sup>

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<sup>1</sup> Eleven recipient Parties and six donor Parties were selected based on representation across the regions, and were contacted for interviews. An initial request and three follow-up reminders to participate in interviews were made by the independent evaluator (ICF International) and one request was sent directly from the Stockholm Convention Secretariat. Of those Parties contacted, the following seven Parties responded positively and participated in interviews: Japan, Switzerland, Canada, Norway, China, Mexico, and Brazil. One additional recipient Party contacted did not participate in an interview, but did complete the survey.

## Main Conclusions and Recommendations

Below are the main conclusions and recommendations of this third review of the financial mechanism of the Stockholm Convention. More detailed findings and conclusions are presented in the chapters that follow.

### RESPONSIVENESS OF THE FINANCIAL MECHANISM

**CONCLUSION 1:** The GEF—as the primary entity entrusted with the operation of the financial mechanism—has continued to be largely responsive to the COP by incorporating guidance into GEF strategies, project approvals, and policies and procedures.

**RECOMMENDATION 1:** The COP may wish to encourage Parties to submit projects related to Stockholm Convention regional centers and information and clearing-house mechanisms, and continue to provide guidance to the GEF with regard to these priorities. The GEF should monitor the progress of project approvals in these areas and provide updates to the COP.

During the review period, the GEF has been largely responsive to guidance from the COP, with a few notable exceptions. In most cases, the GEF has directly responded to COP guidance in its report to the following COP, or reflected that guidance in GEF strategies, programming, and/or project approvals. All COP funding priorities are explicitly mentioned in the *GEF-5 Chemicals Strategy*,<sup>2</sup> with the exception of two priorities: (1) GEF support to activities of the Stockholm Convention regional centers and (2) GEF support in setting up clearing-house mechanisms. It is not clear what implications these omissions will have on the availability of GEF funds for these activities, especially given the multiple funding priorities already identified by the COP.

Beyond strategy-setting, the GEF has also responded to COP guidance in actual implementation. Project approvals show that the GEF has approved resources during GEF-4 and GEF-5 for specific priorities requested in COP guidance including elimination of dichloro-diphenyl-trichloroethane (DDT), demonstration of best available techniques and best environmental practices (BAT/BEP), support of the global monitoring program, capacity development in least developed countries (LDCs), and NIP updates.

**CONCLUSION 2:** The GEF has largely met its reporting requirements to the Stockholm Convention, although there are some aspects that could be improved.

**RECOMMENDATION 2:** To increase transparency, the GEF should improve its reporting to identify what it has or has not done to address each piece of COP guidance, in a more itemized way. In addition, the COP may wish to provide guidance to the GEF with regard to additional information to be included in GEF reports, such as the outlook on financial resources expected to be available for POPs activities during the replenishment period, and results of GEF activities as measured by the POPs outcome indicators.

With respect to the GEF's reporting obligations as elaborated in its MOU with the Convention, the GEF has been fully responsive in terms of providing information on project approvals and resources committed, as well as providing information at the request of the COP (such as cofinancing data), and has been partially responsive in terms of providing information on how the GEF has responded to guidance from the COP and providing information on monitoring and evaluation. No projects that were included in work programmes were rejected during the review period, an event that requires GEF explanation to the COP, according to the MOU.

<sup>2</sup> Which consolidates the POPs focal area and ozone layer depletion focal areas, as well as broadens the scope to engage on sound management of chemicals and mercury

Stakeholders consulted for this review noted that they would like to see more transparent information on the actual availability of funding for POPs activities, information on results of GEF activities in the POPs focal area, and a clearer tracking of GEF responses to specific items of COP guidance in some cases.

**CONCLUSION 3:** Some aspects of the quality of guidance from the COP to the financial mechanism have improved, but guidance still suffers from a lack of clear ranking among funding priorities.

**RECOMMENDATION 3:** In advance of the GEF-6 replenishment process, the COP may wish to revisit the consolidated guidance document to agree on a ranked list of funding priorities, or alternatively to identify indicative proportions of the resource envelope that should be allocated to each priority. Providing a consolidated list of prior decisions of the COP—as requested in decision SC-5/23—is not a particularly actionable input to the replenishment process.

The quality of guidance from the COP to the financial mechanism has improved during the third review period. All new additional COP guidance to the financial mechanism has been consolidated and will be provided to the GEF to inform the replenishment process. In addition, guidance has been adequately specific and become more focused on funding priorities.

Shortcomings still persist, however, in the form of a lack of priority setting and the accumulation of guidance from the COP. While the COP does convey funding priorities to the GEF, these priorities are not ranked and a large number of priorities have been identified by the COP over time. The GEF has only limited resources available, and because the COP does not provide strategic direction for which of its funding priorities are of highest importance to the Parties, some interpretation is ultimately left to the GEF.

**CONCLUSION 4:** During the review period, the GEF has demonstrated its ability to respond to the changing needs of developing country Parties and Parties with economies in transition.

**RECOMMENDATION 4:** The GEF should continue to incorporate COP guidance into its strategic programming and project approvals, as well as to support efforts to accommodate newly listed chemicals.

The GEF allows for evolution in its focal area strategies by design, with reformulation at each replenishment period and the ability to incorporate COP guidance directly into programming and project approvals in between replenishments. In this review period, the ability of the GEF to respond to the changing needs of recipient Parties was specifically demonstrated by: (1) the overall shift from primarily funding NIP development to primarily funding implementation projects; (2) the GEF's broadening of the scope of the POPs focal area to accommodate newly listed chemicals, as well as the GEF's funding of two projects to develop guidance and tools related to the new POPs; and (3) the GEF's actions to consider POPs within a broader chemicals management strategy.

## FUNDING ADEQUACY, PREDICTABILITY, AND SUSTAINABILITY

**CONCLUSION 5:** The GEF has been responsive to growing needs for funding for POPs by increasing allocated resources in each replenishment period, although there is still a gap between funding provided for POPs activities through the GEF and the funding identified as needed to fulfill obligations under the Stockholm Convention.

**RECOMMENDATION 5:** The COP should continue to analyze the amount of funding that is necessary to assist developing country Parties and Parties with economies in transition to fulfill their commitments under the Convention, and should formally convey this funding request to the GEF Council to be included in the negotiations for the 6<sup>th</sup> Replenishment, and replenishments thereafter. The COP should continue to identify ways to improve the needs assessment process to ensure that the results are a reasonably accurate representation of actual needs.

The GEF has been responsive to growing needs for POPs by increasing allocated resources in each replenishment period, including by 25% from \$300 million in GEF-4 to \$375 million GEF-5. Approved funding for the POPs focal area has also increased across replenishment periods, although it has not fully reached the originally allocated levels. In GEF-4, \$244 million in GEF grants was actually approved (compared to the \$300 million initially allocated, which was later reduced to \$279 million), and in GEF-5, about 40% of allocated resources have been approved for projects at the halfway mark. The rate of funding approval will have to increase for the fully allocated level of \$375 million to be approved by the end of the replenishment period.

In total, 260 projects in the POPs focal area have been approved by the GEF from May 2001 through July 2012, representing grants worth approximately \$567 million. In addition, almost \$1.5 billion have been committed to POPs projects through cofinancing sources. Cofinancing has increased from \$1.97 per dollar of GEF grant in the second review period, up to \$4.02 per dollar of GEF grant in this review period. This trend reflects the shift in the POPs portfolio from planning (i.e., NIPs) to implementation.

There is a gap, however, between funding provided for POPs activities through the GEF and the funding identified as needed to fulfill obligations under the Stockholm Convention. The expectation is that demand for POPs funding will continue to be high, given the addition of ten new POPs to the Convention by the fourth and fifth meetings of the COP in 2009 and 2011, and further evidenced by the needs assessment conducted by the Stockholm Convention in 2009, the *GEF-5 Chemicals Strategy*, and the unmet demand for GEF support under GEF-4 that was reflected in POPs task force discussions.

Since the last review period, the Stockholm Convention has instituted a process for assessing funding needs, in order to inform the GEF replenishment processes. The funding needs identified through this process for GEF-5 exceeded allocated resources by a factor of more than 10. While the results of the 2010-2014 needs assessment were regarded as imprecise by many stakeholders, improvements have been made to standardize the assessment process and the results of the 2015-2019 process are expected to be more useful.

**CONCLUSION 6:** While the GEF has allocated a predictable level of total GEF resources to the POPs focal area across all replenishment periods, during this review period, there was demand for GEF funding near the end of GEF-4 that could not be met.

**RECOMMENDATION 6:** The GEF should report more transparently to the COP regarding the availability of funds for the POPs focal area.

The GEF has allocated approximately 9–10% of total GEF resources to the POPs focal area across all replenishment periods, less than the portion of funds allocated to the climate change, biodiversity, and international waters focal areas, but more than the portion of funds allocated to ozone layer depletion.<sup>3</sup>

During this review period, there was demand for funds for POPs activities that could not be met. Allocated funds for the POPs focal area for GEF-4 were initially increased by 20% to \$300 million based on the anticipated need to implement POPs projects that were identified in the NIPs, but in 2009, the remaining GEF-4 funds were reallocated due to the global economic crisis and the high volatility of currency exchange rate movements. The result was a diminished POPs allocation of \$257 million. Overall during GEF-4, there was unmet demand for GEF support of POPs projects. Approved funding for POPs was approximately 87% of the reduced allocation level, or about 81% of the initial allocation.

<sup>3</sup> Funding for the POPs focal area has been approximately equal to or less than the funds allocated to the land degradation focal area.

**CONCLUSION 7:** In addition to funds provided through the GEF, funding is also provided by Parties for activities implemented outside the GEF partnership. The adequacy of this additional funding cannot be readily assessed, given that information on the quantity of funding is not systematically reported or tracked.

**RECOMMENDATION 7:** The COP may wish to explore more systematized options for tracking funds allocated to POPs activities outside of the GEF framework.

National reports show that a number of Parties provide funding for POPs projects outside of the GEF framework, but the total quantity of contributions is not systematically reported or collected in a way that lends itself to analysis. Thus, this review cannot conclude on the adequacy, predictability, or sustainability of this funding.

## TRANSPARENCY AND EFFICIENCY OF THE PROJECT CYCLE

**CONCLUSION 8:** The project approval process has become more transparent and predictable since the previous review period, although certain aspects still require improvement.

**RECOMMENDATION 8:** Communication channels should be established to discuss problems at the Project Identification Form (PIF) stage, the status of project concepts, and the possibility of dropping projects, especially between the GEF Agencies and GEF Secretariat.

Procedural improvements by the GEF have resulted in a more transparent and predictable project cycle. That said, stakeholders consulted for this review still reported instances of non-transparency and unpredictability when projects are moving through the project cycle. In particular, some recipient countries stated that they had insufficient information available on both the status of project concepts as well as the reasons that some projects are dropped. Additionally, there is insufficient transparency and predictability in PIF approval processes. Furthermore, while the GEF guidance on incremental costs is clear, there is still confusion among recipient Parties about the principle and its application.

**CONCLUSION 9:** The efficiency of the project cycle has improved during the review period, although certain aspects still require improvement.

**RECOMMENDATION 9:** All stakeholders involved in the project cycle—including the country focal points, GEF Agencies, and GEF Secretariat—should continue to focus on efficiency to keep elapsed times within the recommended benchmarks.

During this review period, the efficiency of the GEF project cycle has improved, with average elapsed times between key steps in the project review cycle (i.e., from PIF approval to GEF CEO approval/endorsement) for full-sized and medium-sized projects within the targets established by the GEF. However, the elapsed time between initial and final approval for POPs projects has been increasing each year since 2008. Meeting the benchmark within this period is mostly within the responsibility space of the GEF Agencies and country focal points. In addition, the time between PIF submission and PIF approval by the CEO exceeded the 40 day benchmark set by the GEF for 64% of POPs projects submitted during this review period. Delays during this period are partially due to the fact that PIFs tend to cycle back and forth between the GEF Agencies and the GEF Secretariat before they are submitted for Council approval.

## COUNTRY OWNERSHIP AND STAKEHOLDER INVOLVEMENT

**CONCLUSION 10:** Country priorities are generally perceived as adequately reflected in projects funded by the GEF, and country governments are generally felt to be adequately involved in the project development and design process.

**RECOMMENDATION 10:** Recipient countries may wish to utilize the direct access pathway as a means of increasing their ownership of enabling activities, such as NIP updates.

Stakeholders seem largely satisfied with the reflection of country priorities in GEF projects, as well as with the involvement of recipient countries in project development. A comparison of regional NIP priorities with GEF-4 and GEF-5 project approvals in the POPs focal area during this review period shows that project approvals align well with the identified needs by region.

One notable development is the opening of a new direct access pathway to obtain GEF funding; direct access could help increase country ownership. To date, four POPs projects have been approved using the direct access modality to access funds.

### OTHER ISSUES

**CONCLUSION 12:** While some stakeholders have expressed interest in exploring broader efforts to mobilize funds for sound management of chemical and waste, any solutions that integrate POPs into these broader initiatives would require adequate and sustainable resources in addition to those already available for POPs through the GEF and other channels.

**RECOMMENDATION 12:** The COP should continue to pursue synergies among the Stockholm, Basel and Rotterdam Conventions and to further harmonize activities with SAICM. The GEF should provide adequate resources for POPs in GEF-6, while exploring options to mobilize new and additional financial resources to further address sound management of chemicals and waste and emerging chemicals issues, including mercury and other persistent bioaccumulative toxins.

Stakeholders consulted for this review noted that POPs priorities and strategies have tended towards expansion to cover more broad chemicals and wastes management, without sufficient accompanying increases in financial resources. A notable development during the review period has been the exploration of additional financing options through the UNEP Executive Director's consultative process on financing options for chemicals and wastes.

## Chapter 4

# Convention Guidance and Responsiveness of the Financial Mechanism

### 4.1 Responsiveness of the financial mechanism to guidance from the Conference of the Parties

#### Conclusions:

- ❖ The quality of guidance from the COP to the financial mechanism has improved during the third review period. All new additional COP guidance to the financial mechanism has been consolidated, and guidance has been adequately specific and focused on GEF strategy for POPs.
- ❖ Guidance from the COP still suffers from a lack of clear ranking among funding priorities.
- ❖ The GEF—as the primary entity entrusted with the operation of the financial mechanism—has continued to be responsive to the COP by incorporating guidance into GEF strategies, project approvals, and policies and procedures. The *GEF-5 Focal Area Strategies: Chemicals Strategy* (2010) reflects the guidance of the COP, with two exceptions: support for Stockholm Convention regional centers, as requested by COP-3, -4, and -5, and support for information exchange and clearing-house mechanisms.
- ❖ The GEF has largely met its reporting requirements to the Stockholm Convention, although there are some aspects that could be improved.
- ❖ Communication between the Stockholm Convention and the GEF is satisfactory.

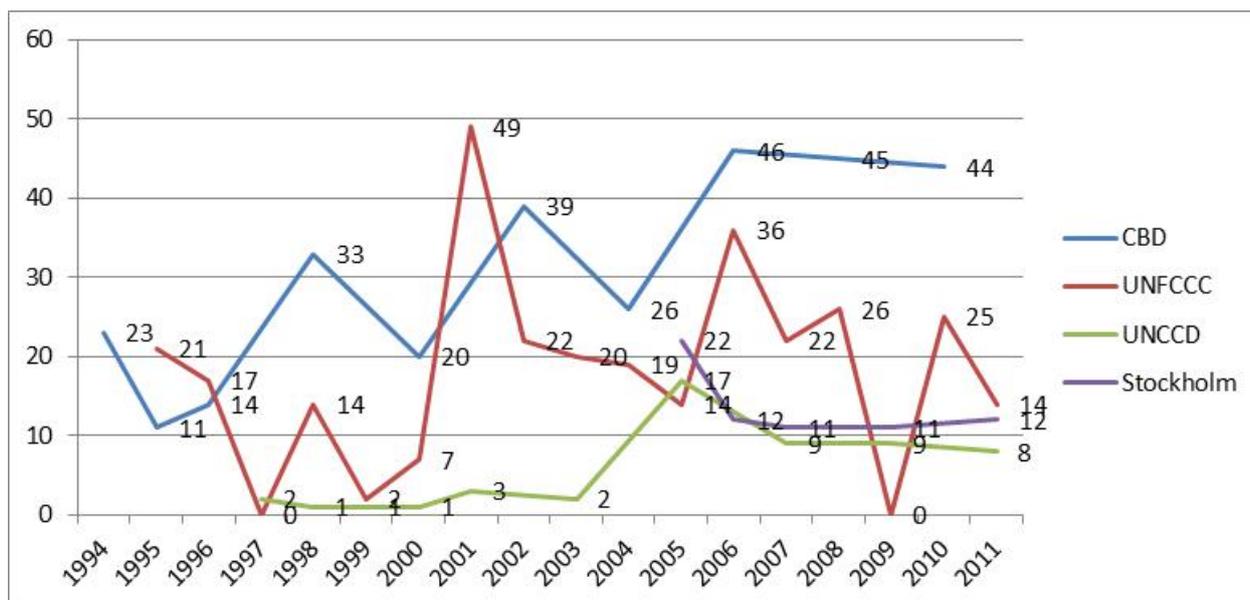
The obligations of the Stockholm Convention and its financial mechanism are elaborated in the memorandum of understanding between the COP and the GEF Council that was agreed in decision SC-1/11 at the first meeting of the COP. Broadly stated, the COP has agreed to provide the GEF Council with guidance, and the GEF Council has agreed to submit reports to the COP that provide information on how the GEF has responded to guidance from the COP and on projects in the POPs focal area. The Stockholm Convention Secretariat and the GEF have also agreed to communicate and coordinate on a regular basis and reciprocally invite one another to meetings of the COP and the GEF Council and Assembly.

This section considers (a) the quality of COP guidance to the financial mechanism, (b) the responsiveness of the financial mechanism to guidance from the COP, and (c) the quality of communication between the Stockholm Convention and the GEF.

#### Quality of COP Guidance

By its decisions SC-1/9 and SC-4/27, the COP has adopted guidance to the financial mechanism. In its decisions SC-2/11, SC-3/16, SC-4/28, and SC-5/23, the COP has provided additional guidance to the financial mechanism. In total, 68 items of guidance have been provided from the Stockholm Convention to the financial mechanism since 2005.<sup>4</sup> By comparison, on a per-COP basis, this is on average fewer items of guidance than the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC), but more guidance than the United Nations Convention to Combat Desertification (UNCCD), as shown in Figure 1.

<sup>4</sup> Per the methodology from the GEF's *Evaluation of the Focal Area Strategies, Technical Paper: Chemicals* (2012), an item of guidance is defined as any "distinguishable piece of information within a COP decision".

**Figure 1: Overall amount of Stockholm Convention guidance in comparison with other conventions**

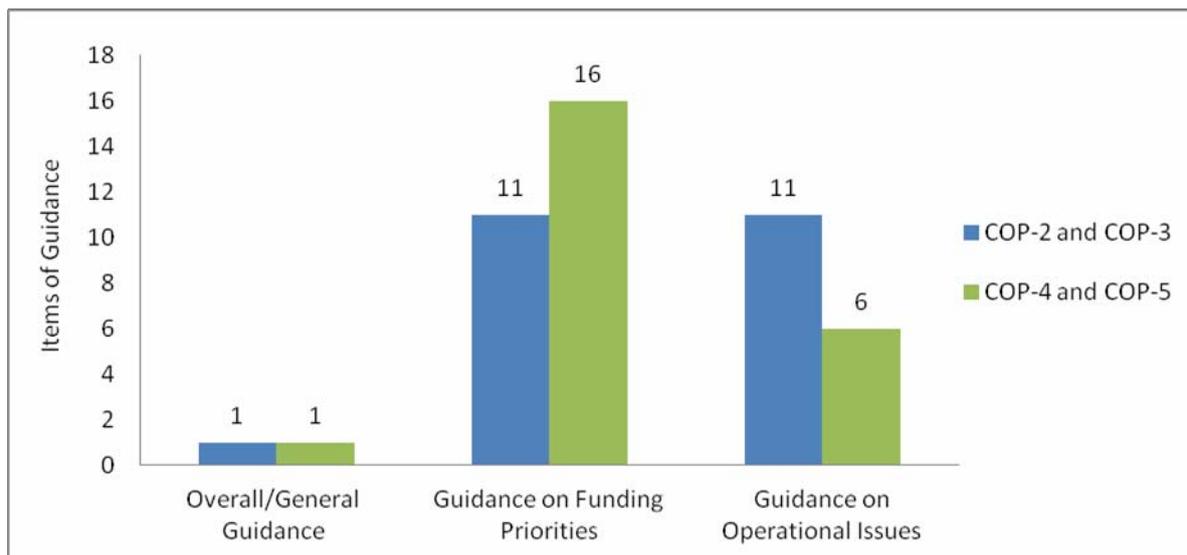
Source: GEF Evaluation Office (2012). *Evaluation of the GEF Focal Area Strategies; Technical Paper 5: Chemicals*.

The quality of COP guidance has been previously assessed in prior reviews of the financial mechanism, and most recently, the *Second Review of the Financial Mechanism of the Stockholm Convention* (2008) (herein referred to as the *Second Review*) found that the guidance of the COP to the financial mechanism lacked specificity, focused more on internal workings of the GEF than on GEF strategy in the POPs focal area, and did not provide clear prioritization on implementation of the Stockholm Convention.

During this third review period, some aspects of COP guidance have measurably improved. First, efforts have been made to consolidate guidance provided from the COP to the GEF. As a meeting document for COP-5, the Stockholm Convention Secretariat provided a single document that consolidated all past additional guidance to the financial mechanism (UNEP/POPS/COP.5/26) and a summary table of all additional guidance to the financial mechanism (UNEP/POPS/COP.5/INF/21). The COP requested in its decision SC-5/23 for the Secretariat to again prepare consolidated guidance for consideration at COP-6, and decided in the same decision to update that consolidated guidance document every four years as an input to the negotiations on the replenishment of the Trust Fund of the GEF.

These developments are improvements over past practices in several regards. First, the consolidation of guidance into one decision per COP presumably makes it easier for the GEF Secretariat to prepare reports that are responsive to these requests. Second, through decision SC-5/23, the COP ensures that the provision of its guidance to the GEF will align in timing with the GEF replenishment process. This is important because GEF replenishment phases do not coincide with the COPs, which can result in a lag between guidance to the GEF, the incorporation of that guidance into GEF strategies, and their implementation. As the *Fourth Overall Performance Study of the GEF* (2010) found, in most cases, the GEF needs to wait until the next replenishment period to actually respond to COP guidance by building it into new strategies that are approved by the replenishment negotiations.

Another improvement in this review period is that guidance has become more focused on funding priorities. Using guidance classifications developed by the GEF EO, a shift can be observed from the guidance adopted during the second review period (COP-2 and COP-3) and the guidance adopted during the current review period (COP-4 and COP-5), whereby the guidance has become more focused on funding priorities and less focused on operational issues. Indeed, 70 percent of COP guidance was focused on funding priorities during this review period. A summary of the guidance by classification under each review period is summarized below in Figure 2.

**Figure 2: Classification of COP Guidance to the Financial Mechanism**

Source: Based on data provided in GEF Evaluation Office (2012). *Evaluation of the GEF Focal Area Strategies; Technical Paper 5: Chemicals*.

COP guidance during this review period has addressed a range of funding priorities, including the following activities at COP-5:

- Country-driven training and capacity building activities related to activities of the polychlorinated biphenyls elimination network;
- Activities in respect of the newly listed chemicals;
- Implementation of best available techniques and best environmental practices to support the reduction or elimination of unintentional releases of persistent organic pollutants;
- Capacity enhancement to enable the collection of data on all indicators stipulated in the effectiveness evaluation; and
- Development and deployment of products, methods and strategies as alternatives to DDT.

COP-5 also adopted guidance on which Parties should have priority for receiving assistance, requesting that the financial mechanism enable regional centers to implement their work plans and that priority be given to countries that have not yet received funding for the implementation of activities contained in their national implementation plans. This guidance represents a positive shift toward adoption of guidance that is substantive, strategic, and sufficiently specific.

Shortcomings still persist, however, in the form of a lack of priority setting and the accumulation of guidance from the COP. While the COP does convey funding priorities to the GEF, these priorities are not ranked and a large number of priorities have been identified by the COP over time, as illustrated in Figure 3. This was an area of concern for numerous stakeholders consulted for this review. Each new COP negotiation process results in additional guidance to the GEF without any instruction regarding if the GEF should focus most on newer versus older funding priorities in its strategy, for example. The GEF has access to limited resources thereby

**Figure 3: Funding Priorities Identified in COP Guidance to the Financial Mechanism**

- Capacity development
- National reporting & NIPs\*
- DDT\*
- Scientific and technical capacity
- Regional centers\*
- BAT/BEP
- Global Monitoring Report\*
- Clearing-House mechanism
- PCB elimination network
- Newly listed chemicals
- Elimination of unintentional releases of POPs
- Collection of data on indicators
- Technical assistance and technology transfer

restricting its ability to devote sufficient funds to address all priorities. This is further complicated by the fact that the COP does not provide overall strategic direction regarding which funding priorities are of highest importance to the Parties, and hence, some interpretation is ultimately left to the GEF.

Four funding priorities (marked with an asterisk in Figure 3) have been repeated in guidance from one COP to another, suggesting that these funding priorities have remained important to the Parties over time, or that the GEF has not been fully responsive to these priorities. Specifically, guidance on the development and updates of NIPs, on the development and deployment of alternatives to DDT, on financial support to regional centers, and on financial support to assist the Global Monitoring Report has been adopted in COP-3, COP-4, and COP-5.

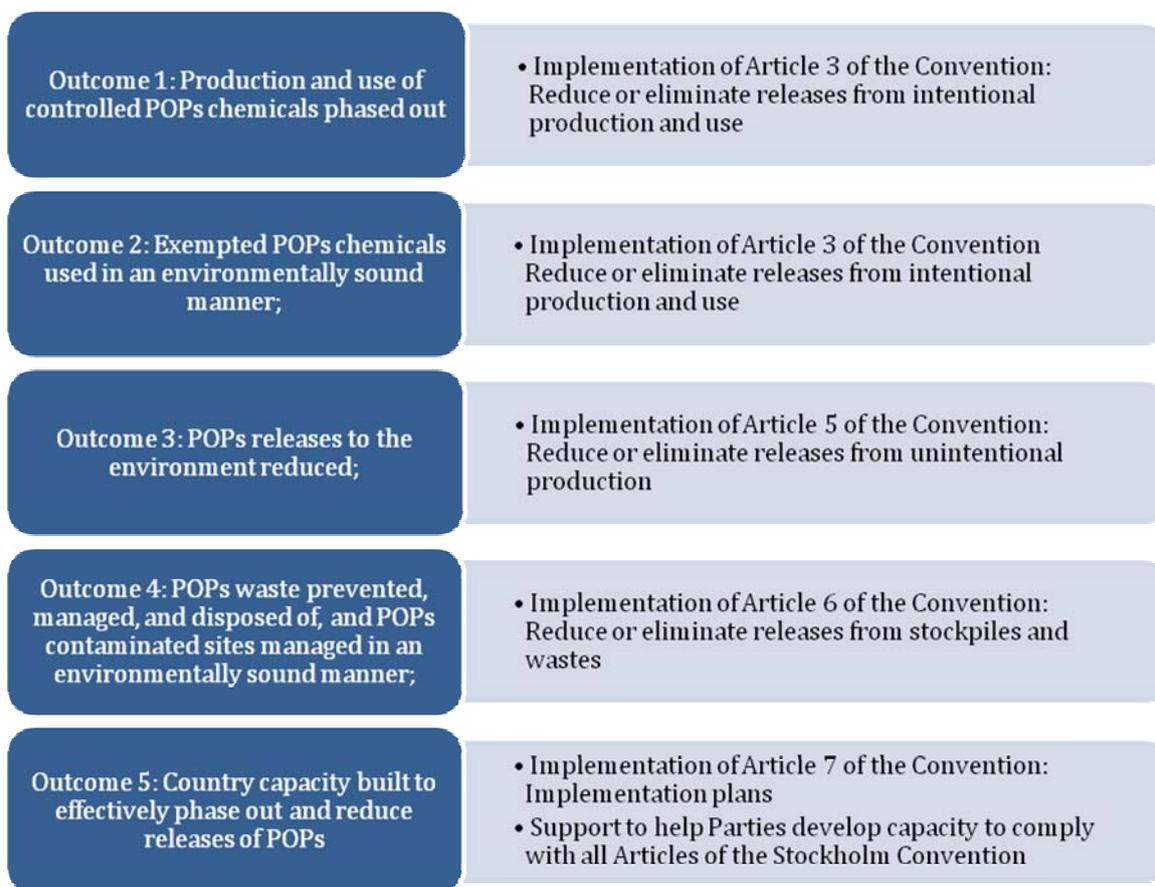
It is worth noting that these challenges of a lack of prioritization and a growing body of guidance are not unique to the Stockholm Convention. These challenges have been noted by other reviews of the GEF in its role as financial mechanism for other conventions, such as those conducted for the Convention on Biological Diversity. The *Fourth Overall Performance Study of the GEF* also found that because convention guidance is generated through a negotiation process among countries, prioritization of this guidance is difficult to accomplish.

### *Responsiveness of the Financial Mechanism to Guidance from the COP*

As the principle entity entrusted with operation of the financial mechanism, the GEF responds to guidance from the COP through formal reports submitted to each COP and through reflection of COP guidance in GEF strategies, programming, and projects. For this review, all COP guidance issued during the review period (via decisions of the COP) and GEF responses (via GEF reports to the COP and strategic programming) were compiled to assess the overall responsiveness of the GEF; a table detailing COP decisions and GEF responses is provided in Appendix C. This body of evidence suggests that the GEF is largely responsive to guidance from the COP, with a few notable exceptions. This finding was echoed by the *Fourth Overall Performance Study of the GEF*, and by a recent technical paper prepared by the GEF EO, which similarly concluded that the GEF has been largely responsive but with a few gaps. In addition, stakeholders consulted for this review generally feel that Stockholm Convention priorities and guidance are reflected well in GEF strategies and project approvals for POPs. Among Parties responding to the review survey, nearly 75% agreed or strongly agreed with the statement “The GEF Council is responsive to guidance from the COP.” Only 6% disagreed, and no Parties strongly disagreed.

As mentioned, this review finds that the GEF has been largely responsive to guidance from the COP. In most cases, the GEF has directly responded to COP guidance in the formal GEF report to the following COP meeting. When there has not been a formal response to a certain piece of guidance in the GEF reports, the guidance is still generally reflected in GEF strategies, programming, and/or project approvals.

A notable development during this review period is the GEF’s shift from a POPs focal area strategy in GEF-4 to a chemicals strategy in GEF-5. The *GEF-5 Focal Area Strategies: Chemicals Strategy* (2010) consolidates the POPs and ozone layer depletion focal areas, as well as broadens the scope to engage on sound management of chemicals and mercury. While these issues have been rolled into one strategy and resource envelope in GEF-5, the *GEF-5 Chemicals Strategy* explicitly states an expectation that resources will be dedicated primarily to support the Stockholm Convention, and that limited but strategic support will be offered for mercury and sound chemicals management. In addition, the *GEF-5 Chemicals Strategy* includes a specific strategy objective on POPs (CHEM-1) that clearly demonstrates that the POPs focal area strategy has been developed to address Stockholm Convention priorities and COP guidance. The Stockholm Convention’s three main implementation priorities—to reduce or eliminate releases from intentional production and use, to reduce or eliminate releases from unintentional production, and to reduce or eliminate releases from stockpiles and wastes—align directly with the expected outcomes for POPs in the *GEF-5 Chemicals Strategy*, as illustrated in Figure 4.

**Figure 4: Alignment of GEF-5 Expected Outcomes for POPs with Stockholm Convention Objectives**

Furthermore, all COP funding priorities are explicitly mentioned in the *GEF-5 Chemicals Strategy*, with the exception of two priorities: (1) GEF support to activities of the Stockholm Convention regional centers and (2) GEF support in setting up clearing-house mechanisms.<sup>5</sup> With respect to regional centers, GEF support has been requested multiple times by the COP, including by COP-3, COP-4, and COP-5, after the *GEF-5 Chemicals Strategy* was finalized. Activities at the regional level are recognized by the *GEF-5 Chemicals Strategy*, but the priority of regional centers is not explicitly articulated. Some structural obstacles are perceived for the fulfillment of this funding priority, given that the GEF works through ten agencies and cannot, under its current structure, directly support regional centers to develop projects. Regional centers can be included in GEF projects if the relevant country and agency wish to do so for purposes of development and/or implementation, but the decision to pursue these execution arrangements is ultimately in the recipient country's purview. Regarding clearing-house mechanisms, the *GEF-5 Chemicals Strategy* describes efforts to raise awareness and provide information on POPs, but specific mechanisms such as a clearing-house are not explicitly mentioned. It is not clear what implications these omissions will have on the availability of GEF funds for these activities, especially given the multiple funding priorities already identified by the COP.

Beyond strategy-setting, the GEF has responded to COP guidance in actual implementation through project approvals. The transition from principally funding the development of NIPs to primarily funding the implementation of NIPs is a major example of the GEF's responsiveness to evolving guidance and priorities from the COP, as discussed further in Chapter 5. Further, project approvals show that the GEF has programmed resources during GEF-4 and GEF-5 for specific priorities requested in COP guidance including elimination of DDT, demonstration of best available techniques and best environmental practices (BAT/BEP), support of the global monitoring program, capacity development in LDCs, and NIP updates.

<sup>5</sup> Additional details regarding the GEF's responsiveness can be found in Appendix C of this report.

*GEF Reporting to the COP*

The formal reports submitted from the GEF Council to the COP generally meet the obligations elaborated in the MOU, but there are certain aspects that could be improved. Table 2 presents an assessment of the extent to which the GEF has met each of its reporting requirements during the review period (i.e., reports to COP-4 and COP-5).

**Table 2: Assessment of the GEF's Fulfillment of its Reporting Requirements, According to the MOU**

Reporting Elements	Assessment of Responsiveness	Discussion
Information on how GEF has responded to the guidance provided by the COP including, where appropriate, through its incorporation in the strategies and operational policies of GEF	<i>Partial</i>	The GEF generally describes its responses to guidance from the COP in its reports, but these responses are not always provided in reference to specific decisions of the COP, or consolidated in one section of the GEF's report. In addition, there are also cases where the GEF does not directly respond to pieces of COP guidance in its reports.
A synthesis of projects approved by the Council during the reporting period in the POPs focal area with an indication of GEF and other resources allocated to such projects and the approval status of each project	<i>Full</i>	These elements are consistently included in GEF reports.
A listing of projects approved by the Council in the persistent organic pollutants focal area, with an indication of the total financial resources allocated to these projects	<i>Full</i>	These elements are consistently included in GEF reports.
In case of any project proposal included in a work programme that is not approved by the Council, the reasons for not being approved	<i>Full</i>	During the review period, no projects were rejected from a work program presented to the GEF Council for approval, <sup>6</sup> so this reporting requirement was not triggered. Under GEF-4, two projects representing grants equal to roughly \$5.5 million were cancelled following GEF approval, although the GEF is not specifically required to report to the COP on project cancellations.
The Council will also report on GEF monitoring and evaluation activities concerning projects in the POPs focal area	<i>Partial</i>	The GEF reports to COP-4 and COP-5 both include sections on monitoring and evaluation, although not all evaluation products generated during the reporting periods were mentioned. For example, mention was not made of the Country Portfolio Evaluation for Moldova, which included a significant assessment of Moldova's POPs portfolio.
The Council will also provide information on other matters concerning the discharge of functions under Article 13, paragraph 6, as may be requested by the COP	<i>Full</i>	During this review period, the COP requested an expanded analysis of cofinancing, which was presented in the GEF's report to COP-5.

<sup>6</sup> GEF Council Work Programs can be found at: [http://www.thegef.org/gef/work\\_programs](http://www.thegef.org/gef/work_programs).

Overall, most stakeholders were satisfied with the GEF reports; of Parties responding to the survey, 69% agreed that reports provided by the GEF to the COP are clear and complete. That said, certain areas for improvement were identified.

Multiple stakeholders noted that they would like to have more information on the GEF's financial situation (i.e., the outlook on financial resources available for POPs). This desire appears to be partly related to unmet demand for POPs funding at the end of GEF-4, and a lack of transparency surrounding the level of funding that was actually available to POPs projects. Although resources were reallocated under the GEF in 2009, resulting in the GEF-4 resource envelope for POPs being reduced from \$300 million to \$257 million, this event was not mentioned in the GEF's report to COP-5. While this omission may be partly due to timing misalignment—GEF-5 had already begun by the GEF's report to COP-5—it is clear that stakeholders would appreciate more transparency on the availability of resources.

Some stakeholders also noted that while the reports are complete, they could do a better job of highlighting GEF activities in the POPs focal area. In particular, information on the results of GEF support is notably lacking. Reporting on results is considered important for assessing the progress towards achieving Convention objectives.

Finally, clear tracking of GEF responsiveness to COP guidance is possible for many pieces of guidance from the COP, but there are also cases where the GEF does not directly respond to pieces of COP guidance in the reports to the COP. While there may be other, more informal responses to this guidance through programming or action by the GEF Secretariat, in these cases it may not be clear to Parties that Convention guidance is being followed.

### *Quality of Communication between the GEF and Stockholm Convention*

The GEF Council and the COP have communicated formally through COP decisions providing additional guidance to the financial mechanism, and through reports submitted by the GEF Council to each COP meeting. As noted above, there is a general consensus among stakeholders that specific elements of this formal communication could be improved (i.e., the COP could provide better prioritization of funding activities for the GEF, and the GEF could present additional information in reports to the COP), but overall the formal communication is adequate and meets the obligations set forth in the MOU.

The Secretariats of the GEF and the Convention have had a good level of communication during the review period. The Convention Secretariat has participated in GEF Council meetings, GEF Assembly meetings, and GEF replenishment meetings. The Secretariat has also been a member of the GEF task force on POPs and the technical advisory group to revise the POPs focal area strategies for GEF-5. The GEF Secretariat, in turn, has attended COP meetings, the Persistent Organic Pollutants Review Committee (POPRC), and numerous regional capacity-building workshops.

### *Other Entities of the Financial Mechanism*

It is important to note that COP guidance is sometimes directed specifically at the GEF, as the principal entity entrusted with the operation of the financial mechanism, but in other cases, guidance is directed at all entities providing funding for POPs. There is no formal process for entities other than the GEF to report on their responsiveness to COP guidance, nor is there a way to readily assess the responsiveness of other entities in this review. Stakeholders consulted for this review were sometimes able to identify other entities providing funding for POPs (e.g., funding through SAICM, UN Agencies, and bilateral donors)—as discussed more fully in section 6.3 below—but were not able to provide any assessment of the responsiveness of those entities. Thus, while this review cannot make conclusions about the responsiveness of other entities besides the GEF, it is possible that other entities may be pursuing their own national, regional, or multilateral agendas in making funding decisions, rather than responding directly to the priorities elaborated by the COP.

## 4.2 Responsiveness of the GEF to the resolutions adopted on 22 May 2001 by the Conference of Plenipotentiaries

### Conclusions:

- ❖ The GEF has been responsive to the resolutions adopted by the Conference of Plenipotentiaries.

Three resolutions adopted on 22 May 2001 by the Conference of Plenipotentiaries<sup>7</sup> were directed at the GEF, and the GEF was responsive to each request. The following table highlights each resolution and the GEF response.

**Table 3: GEF Responses to Resolutions of the Conference of Plenipotentiaries**

Resolution adopted by the Conference of Plenipotentiaries	GEF Response
Requests the Assembly of the Global Environment Facility to consider establishing a new focal area through amendment of the Instrument for the Establishment of the Restructured Global Environment Facility in order to support the implementation of the Convention	The GEF established a new POPs focal area in 2002 to support implementation of the Stockholm Convention.
Requests the Council of the Global Environment Facility to establish as soon as possible and implement an operational programme for persistent organic pollutants, taking into account future decisions of the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for Implementing International Action on Certain Persistent Organic Pollutants	The GEF Operational Program on POPs (OP #14) was established in 2003, providing a framework to guide the development of activities eligible for GEF funding.
Requests the Global Environment Facility to report to the Conference of the Parties at its first session on the measures it has taken to ensure the transparency of the Global Environment Facility project approval process and that the procedures for accessing funds are simple, flexible and expeditious	The GEF has reported the requested information to the COP, including in the reports to COP-4 and COP-5 that fall during this review period.

<sup>7</sup> [http://www.pops.int/documents/meetings/dipcon/25june2001/conf4\\_finalact/en/FINALACT-English.PDF](http://www.pops.int/documents/meetings/dipcon/25june2001/conf4_finalact/en/FINALACT-English.PDF)

## Chapter 5

## Ability of the Financial Mechanism to Respond to Changing Needs of Developing-Country Parties and Parties with Economies in Transition

### Conclusions:

- ❖ GEF focal area strategies are reconsidered every four years with each new replenishment period, which should allow changing needs to be reflected in GEF strategy. A majority of stakeholders interviewed and surveyed believe that the financial mechanism is able to evolve as needed.
- ❖ The overall shift from primarily funding NIP development to primarily funding implementation projects illustrates that the financial mechanism can adapt to the changing needs of Parties.
- ❖ The financial mechanism took appropriate measures to help countries address newly listed POPs.
- ❖ The GEF has addressed an emerging need to consider POPs within a broader chemicals management strategy, although the financial mechanism is constrained in its ability to fully address this without additional financial resources from donor countries.

The needs of developing countries and countries with economies in transition are appropriately reflected in GEF programming. A comparison of regional NIP priorities<sup>8</sup> with GEF-4 and GEF-5 project approvals in the POPs focal area during this review period shows that project approvals align well with the identified needs by region. Stakeholders interviewed for this review also expressed the position that projects funded by the financial mechanism have been developed to specifically address developing country needs as reflected in the NIP.

The financial mechanism appears to be capable of responding to Parties' changing needs as well. The GEF, as the principle entity of the financial mechanism, allows for evolution in its focal area strategies by design. Focal area strategies are reconsidered every four years with each new replenishment period, allowing changing needs to be reflected in GEF strategy. If needs change between replenishment periods, the GEF Secretariat is able to incorporate COP guidance directly into programming and project approvals in advance of a specific decision from the GEF Council.

A majority of stakeholders interviewed and surveyed believe that the financial mechanism is able to evolve as needed. Of survey respondents, 4% of Parties strongly agreed and 68% of Parties agreed with the statement "GEF strategies for the POPs focal area evolve as needed." The remaining 27% of Parties that responded were neutral on this statement, or did not know. It is worth noting that no parties responding indicated that they disagreed with the statement.

The financial mechanism's ability to respond to changing needs of developing Parties and Parties with economies in transition during this review period can be observed in three significant cases: (1) the shift from NIP development to implementation, (2) the response to newly listed POPs, and (3) attention on emerging issues in the chemicals focal area, as described below.

### *Shift from NIP Development to Implementation*

The overall shift from funding primarily NIP development activities to funding mostly implementation projects illustrates that the financial mechanism can adapt to the changing needs of Parties. On the whole, developing country Parties had an initial need to develop knowledge about and capacity for addressing POPs, which was addressed through NIP development and enabling activities funded by the GEF. Parties' needs have now shifted to the implementation of projects that fulfill their Stockholm Convention obligations, and GEF strategy has adapted accordingly by largely funding implementation of NIP activities in GEF-4 and GEF-5.

<sup>8</sup> Priorities identified in NIPs by region were based on a document produced by the Stockholm Convention Secretariat for COP-4, COP.4/13.

The GEF has also recognized that capacity building remains as a primary need for developing countries, particularly the least developed countries (LDCs) and small island developing states (SIDS). The GEF has responded in this review period with several regional projects for capacity strengthening and technical assistance for the implementation of NIPs in African LDCs and SIDS (the “Africa LDC Program”), and a similar program for the Caribbean is under development. These projects focus on implementation activities such as development of legislation to address POPs issues, and strengthening the corresponding administrative and enforcement capacity.

### *Addressing New POPs*

The Stockholm Convention was amended in May 2009 to include nine new chemicals in its annexes A, B and C. The amendments entered into force for most of the Stockholm Convention Parties in August 2010. Under the Convention, Parties must review and update their NIPs to address the addition of chemicals to annexes A, B, or C and transmit the updated NIPs to the COP. The GEF responded by broadening the scope of POPs that could be financed in GEF-5, and specifically programming resources in GEF-5 to allow countries to update their NIPs to account for the newly listed chemicals. During this review period, eight NIP updates were funded by the GEF for that purpose.

The Stockholm Convention was amended again in May 2011 to include Endosulfan in Annex A to the Convention. This new chemical was added after GEF-5 strategy was developed, yet the GEF has still acted to encourage the inclusion of Endosulfan in NIPs.

The GEF also funded two projects to develop guidance and tools related to the new POPs. The first was a project to develop guidelines on the review and update of NIPs, wherein several guidance documents were developed to assist countries in accounting for the newly listed POPs in their implementation plans. This guidance was peer reviewed and pilot tested in Serbia, Nigeria, and India to ensure that the documents addressed the needs of developing country Parties. The second project was to establish tools and methods needed to include the nine new POPs into the Global Monitoring Plan.

While there is some concern among stakeholders that the system has not moved quickly enough in addressing the new chemicals, the GEF has taken action in accordance with this changing need.

### *Emerging Chemicals Issues*

Stakeholders interviewed frequently discussed an emerging need to consider POPs within a broader chemicals management strategy. It was acknowledged in these interviews that the GEF is working to find linkages with SAICM, promote synergies among the chemicals conventions, encourage multi-focal area projects, and fund new chemicals issues. New priorities can be addressed during GEF-5 through programmed funding specifically to encourage emerging issues. The *Evaluation of the GEF Focal Area Strategies* (2012) notes that while integrating flexibility into the GEF’s four-year strategies has been a continuous challenge for the GEF overall, the Chemicals Focal Area has been especially forward-thinking in its inclusion of mercury-related activities in the GEF-5 focal area strategy, which has created room for flexible programming.

The *Strategy on Sound Chemicals Management for the 5th Replenishment Period of the GEF* (2010) focuses on linkages between POPs and other GEF focal areas and with SAICM emerging issues. This trend can also be observed in POPs project approvals, where projects related to mercury and electronic waste, for example, appear starting in GEF-5.

While the GEF has taken steps to address this need, the financial mechanism is constrained in its ability to fully address broader chemicals issues without additional financial resources from donor countries. There currently are not adequate financial resources to address a host of chemicals management issues under the POPs focal area.

## Chapter 6 Funding

### 6.1 Adequacy, predictability, and sustainability of funding

#### Conclusions:

- ❖ The GEF has allocated a predictable 9–10% of total GEF resources to the POPs focal area across all replenishment periods, less than the portion of funds allocated to the climate change, biodiversity, and international waters focal areas, but more than the portion of funds allocated to ozone layer depletion.
- ❖ The GEF has been responsive to growing needs for POPs by increasing allocated resources in each replenishment period, including by 25% from GEF-4 to GEF-5.
- ❖ Approved funding for the POPs focal area has increased across replenishment periods, although it has not fully reached the originally allocated levels. During this review period, there was demand for GEF funding near the end of GEF-4 that could not be met.
- ❖ In GEF-5, about 40% of allocated resources have been approved for projects at the halfway mark. The rate of funding approval will have to increase for the fully allocated level of \$375 million to be approved by the end of the replenishment period.
- ❖ There is a gap between funding provided for POPs activities through the GEF and the funding identified as needed to fulfill obligations under the Stockholm Convention. The funding needs identified for GEF-5 exceeded allocated resources by a factor of more than 10.
- ❖ Since the last review period, the Stockholm Convention has instituted a process for assessing funding needs to inform the GEF replenishment processes. While the results of the 2010-2014 needs assessment were widely regarded as imprecise, improvements have been made to standardize the assessment process and the results of the 2015-2019 process are expected to be more useful.
- ❖ Stakeholders generally do not strongly support the inclusion of POPs under the STAR.

#### *GEF Funding Allocated for POPs versus Other Focal Areas*

The GEF allocates a certain amount of funding for each focal area for each replenishment period. Since the POPs focal area did not exist at the time of the GEF-2 replenishment, resources were first allocated to the POPs focal area under GEF-3 (although POPs projects did receive funding from the GEF beginning in 2001).

**Table 4: GEF Targeted Resource Allocations by Focal Area and Replenishment Periods (\$Million)**

Focal Area	GEF-3	GEF-4	GEF-4 Reallocation*	GEF-5
POPs	250	300	279	375
Climate Change	960	1000	930	1,400
Biodiversity	960	1000	930	1,150
International Waters	430	355	330	420
Land Degradation	250	300	279	400
Ozone Layer Depletion	50	40	37	25
Other Chemicals	0	0	0	20
Corporate Programs	0	15	15	210
<b>All Focal Areas</b>	<b>2,900</b>	<b>3,010</b>	<b>2,800</b>	<b>4,000</b>

\* GEF resources were re-allocated in April 2009 due to the global economic crisis and the high volatility of currency exchange rate movements, as explained by the GEF in the *Reallocation of Remaining GEF-4 Resources* (2009). The reallocation of funds under GEF-4 is further discussed in the sections below.

As shown in Table 4 above, the total amount of funding allocated for POPs has increased under each replenishment period. That said, compared to other GEF focal areas, the POPs focal area has historically represented a small portion of the GEF's project portfolio. Since GEF-3, the GEF has consistently allocated

9–10% of total GEF resources to the POPs focal area. This allocation is more than the funds allocated for ozone layer depletion, but less than climate change, biodiversity, and international waters.

While the GEF replenishment process has provided an increasing level of funds to meet its obligations as principal entity of the financial mechanism of the Stockholm Convention, this level of funding is still not deemed adequate to fully meet the needs of the Parties. This problem is not unique to the POPs focal area; *the Fourth Overall Performance Study of the GEF* concluded that the GEF has been underfunded since GEF-2, in part due to the increasing scope of its agenda, the flattening of pledges from donors, and the loss of purchasing power.

The expectation is that demand for POPs funding will continue to be high, given the addition of ten new POPs to the Convention by the fourth and fifth meetings of the COP in 2009 and 2011, and further evidenced by the needs assessment conducted by the Stockholm Convention in 2009,<sup>9</sup> the *GEF-5 Chemicals Strategy*, and the unmet demand for GEF support under GEF-4 that was reflected in POPs task force discussions.

In recognition of the need for more GEF support for POPs, during the GEF-5 replenishment process, the GEF increased total programmed funds relative to the initial GEF-4 POPs allocation by 25%, to \$375 million. But while programmed resources have increased significantly, it is unclear whether sufficient funding will be able to meet the needs of both existing and new priorities identified for POPs currently covered under the Convention. In addition, the insufficiency of available funds may also become more critical as the POPs portfolio has shifted from planning to implementation. While over 80% of survey respondents agreed or strongly agreed that the actual funding provided for NIPs was adequate, only 37% agreed that sufficient funding was available to implement the NIPs.

### *Comparison to Needs Assessments*

The *Second Review* found that funding for POPs is not sufficient to fulfill the obligations under the Stockholm Convention, but noted that an estimate of total funding needs is not available. Since the last review period, the Stockholm Convention has instituted a funding needs assessment process. A needs assessment was first carried out to inform the replenishment processes for GEF-5 (2010-2014), and a second assessment is currently underway for GEF-6 (2015-2019). The needs assessment for GEF-5 was undertaken in 2009 in accordance with paragraph 7(d) of Article 13 of the Stockholm Convention, and was based on a variety of sources including past experience, NIPs, and supplementary input from various stakeholders.

The findings from the needs assessment conducted for the 2010-2014 period indicate that the needs for POPs significantly exceed the funds that are realistically available. Based exclusively on NIPs submitted by 67 of the eligible Parties (49%) and a statement of needs for 2010-2014 submitted by Ukraine, it was estimated that resources equaling almost \$4.5 billion would be needed to adequately address POPs during the 2010-2014 period. Compared to the allocation of funds for POPs under GEF-5, this assessment of needs exceeds GEF allocated resources by a factor of 12. Furthermore, there is indication that this assessment of needs is actually an underestimate of possible demands, given that (a) 29 of the Parties indicated that a second phase of activities would likely be required, (b) the remaining 70 eligible Parties had not yet submitted their NIPs, (c) there is opportunity for 24 additional countries to attain Party status and become eligible for support from the Convention's financial mechanism, and (d) none of the Parties had yet requested resources to address the addition of new chemicals under the Convention.

Given the findings from and methodology used to develop the 2010-2014 needs assessment, many stakeholders questioned the usefulness of this report. For instance, there is concern that the funding levels identified are not accurate since they were based on NIPs that vary considerably in content, detail, and duration. For example, the plans included activities that would be implemented over periods of time ranging from three to twenty-five years (2004-2031). In addition, while the level and quality of technical detail in the NIPs was generally quite high, the lack of a simple and consistent format for reporting financial

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<sup>9</sup> Stockholm Convention on POPs (2009). *Report on the assessment of funding needs of Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the period 2010-2014*, UNEP/POPS/COP.4/27.

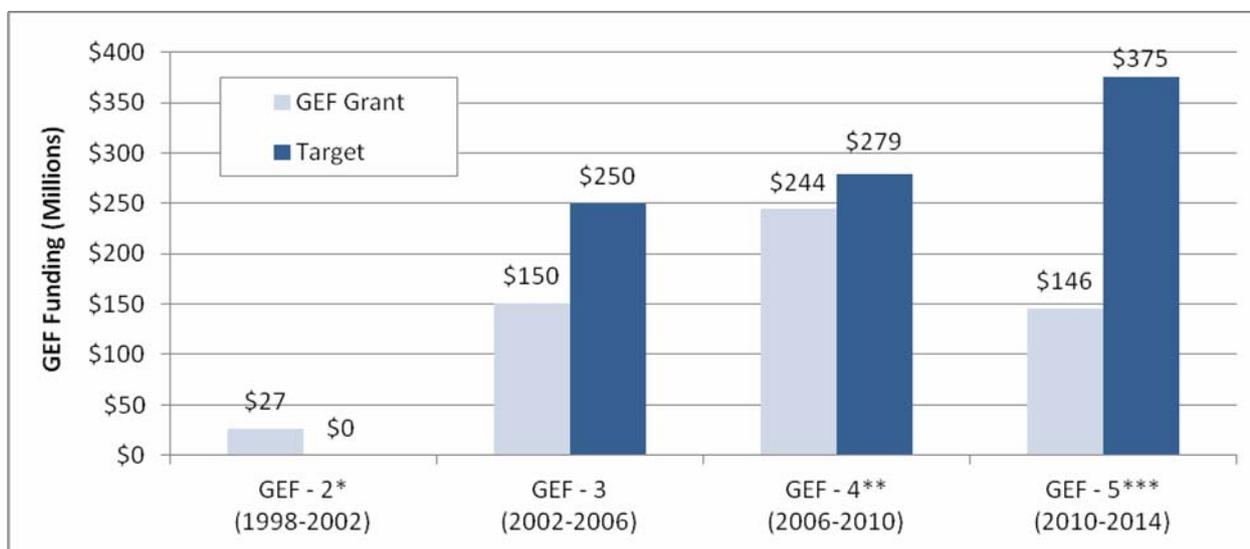
resource requirements resulted in a wide variety of methodologies being used by Parties to determine estimated costs for activities within their plans. As a result, there were a wide range of cost estimates among different countries for what appeared to be somewhat similar activities, even in cases where the countries had comparable levels of population and industrial development. Stakeholders interviewed for this review also pointed out that while the level of magnitude may not be far off, the results of the assessment are still not considered reliable.

For the 2015-2019 needs assessment, which is currently underway, there is an expectation that the results will be more accurate and useful. Since the completion of the needs assessment for the 2010-2014 period, the Stockholm Convention Secretariat has released guidance on calculating action plan costs, including incremental costs and action plans for specific POPs.<sup>10</sup> Specifically, the guidance provides Decision Trees on Stockholm Convention obligations and a list of all major obligations and associated activities. According to the guidance document, this additional guidance was provided to serve as a “check” against the contents of a country’s NIP, and has been identified as a resource to support the needs assessment for the 2015-2019 period. In addition, to support the 2015-2019 assessment, the Parties have been asked to report on the resources used during the 2010–2014 period and the funding needed for 2015–2019 for the implementation of the Convention, using a specific reporting format set forth in table 2 of annex II to decision SC-5/22. When reporting this information, Parties have also been asked to separate out incremental costs from funds that will be provided from their own budget or bilateral funding. This additional information, as well as improvements to the NIPs, is expected to produce more useful and accurate findings.

### Approved Funding versus Allocated Resources

Like allocated resources, actual GEF funding for POPs has also increased across replenishment periods, although it has not fully reached the originally allocated levels, as shown below in Figure 5.

**Figure 5: Comparison of Targeted Allocation versus Actual Grants by GEF Replenishment (\$Millions)**



\* No funds were allocated to the POPs focal area under GEF-2 since the POPs focal area did not exist at the time of the GEF-2 replenishment.

\*\* The initial allocation of funding under GEF-4 was \$300 million. This quantity was later reduced, as explained by the *Reallocation of Remaining GEF-4 Resources* (2009). In addition, under GEF-4, two projects representing grants equal to roughly \$5.5 million were cancelled following GEF approval.

\*\*\* GEF-5 is currently still underway. Actual funding shown represents approved projects through July 2012.

<sup>10</sup>Stockholm Convention on POPs (2009). *Draft guidance on calculation of action plan costs, including incremental costs and action plans for specific persistent organic pollutants*, UNEP/POPS/COP.4/INF/11. This document was last updated in April 2012.

In total, 260 projects in the POPs focal area have been approved by the GEF from May 2001 through July 2012, representing grants worth approximately \$567 million.<sup>11</sup> Under GEF-2 (1998-2002) and GEF-3 (2002-2006), the majority of funds were used for the preparation of NIPs. Allocated funding for POPs under GEF-3 was based on the assumption that the GEF would provide up to \$500,000 per country for the preparation of NIPs in addition to funding for pilot projects, priority policy and regulatory reform, capacity building, and investment programs.<sup>12</sup> However, under GEF-3 only about two-thirds of allocated funds were actually approved for distribution by the GEF. According to the GEF Secretariat and other stakeholders interviewed, this was mainly due to the lack of capacity available to start implementing projects.

Under GEF-4, which is partly covered by this review period (October 2008- June 2012), there was demand for funds for POPs activities that could not be met. Allocated funds for the POPs focal area for GEF-4 were initially increased by 20% to \$300 million based on the anticipated need to implement POPs projects that were identified in the NIPs. Specifically, this funding was intended to support the following:<sup>13</sup>

- 50 countries receive support to update their NIP;
- 50 countries receive support to strengthen capacity for POPs management;
- 20 countries receive support for POPs reduction activities; and
- 5 alternative technologies/sets of practices demonstrated.

In reality, a total of 80 POPs projects were actually approved by the GEF by the end of GEF-4. In part, this was the result of a reallocation of remaining GEF-4 funds in April 2009, the result of which for the POPs focal area was a reduced allocation from \$300 million to \$279 million.<sup>14</sup> According to the GEF Secretariat, the availability of funds during any given replenishment period is never completely predictable because the replenishment allocations are a pledging exercise and sometimes these pledges cannot be fulfilled. As such, in GEF-4, approved funding for POPs was approximately 87% of the reduced allocation level, or about 81% of the initial allocation. According to some of the GEF Agencies, the Agencies were encouraged to stop submitting projects at the end of GEF-4—and to submit in GEF-5 instead—due to limitations in the remaining amount of GEF-4 funds.

Under GEF-5, which is about halfway complete, approved funding for POPs projects has reached \$146 million as of July 2012, or approximately 39% of the allocation. The rate of funding approval will have to increase for the fully allocated level of \$375 million to be approved by the end of GEF-5.

### *POPs and Systems for Allocating Resources*

Unlike other GEF focal areas, funding for POPs is not allocated among countries according to a framework. Rather, funds for POPs are distributed on a first come, first serve basis. However, for some of the other GEF focal areas, resources are dispersed based on an allocation system. Specifically, under GEF-4 (2006-2010), resources for financing biodiversity and climate change projects were allocated based on the Resource Allocation Framework (RAF). Under the RAF, resources were allocated to countries based on their potential to generate global environmental benefits and their capacity, policies and practices to successfully implement GEF projects. Due to concerns with this framework, as identified by the Midterm Review of the RAF,<sup>15</sup> for GEF-5, this framework was replaced by the System for Transparent Allocation of Resources (STAR). Although similar to the RAF, STAR covers three focal area—biodiversity, climate change, and land degradation—and additionally considers a Social Economic Development Index when allocating resources.

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<sup>11</sup> These totals do not account for the two projects that were cancelled following Council approval.

<sup>12</sup> GEF (2002). *Summary of Negotiations on the Third Replenishment of the GEF Trust Fund*, GEF/C.20/4.

<sup>13</sup> GEF (2006). *Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund*, GEF/C.29/3.

<sup>14</sup> GEF resources were re-allocated in April 2009 due to the global economic crisis and the high volatility of currency exchange rate movements.

<sup>15</sup> GEF Evaluation Office (2008). *Midterm Review of the GEF Resource Allocation Framework*.

While not currently covered under the STAR, other focal areas such as POPs could be covered by STAR in future GEF replenishment periods. Based on input from stakeholders consulted for this review, the inclusion of POPs under the STAR is not strongly supported. Overall, stakeholders indicated that including POPs under the STAR would not help ensure that countries get adequate funding for POPs. Stakeholders instead indicated that procedures for accessing funds are currently flexible and that this flexibility could be compromised by a system such as the STAR. There is also concern that under the STAR countries that do not have chemicals management as a distinct priority may create projects in order to access the funds. While an allocation system could potentially even out funding levels among regions and countries, potentially to the benefit of small or more economically disadvantaged countries, there are clear tradeoffs with the rigidity of such a system. Analysis of the distribution of GEF funding for POPs among regions and countries is provided in section 6.4 below.

## 6.2 Cofinancing for POPs

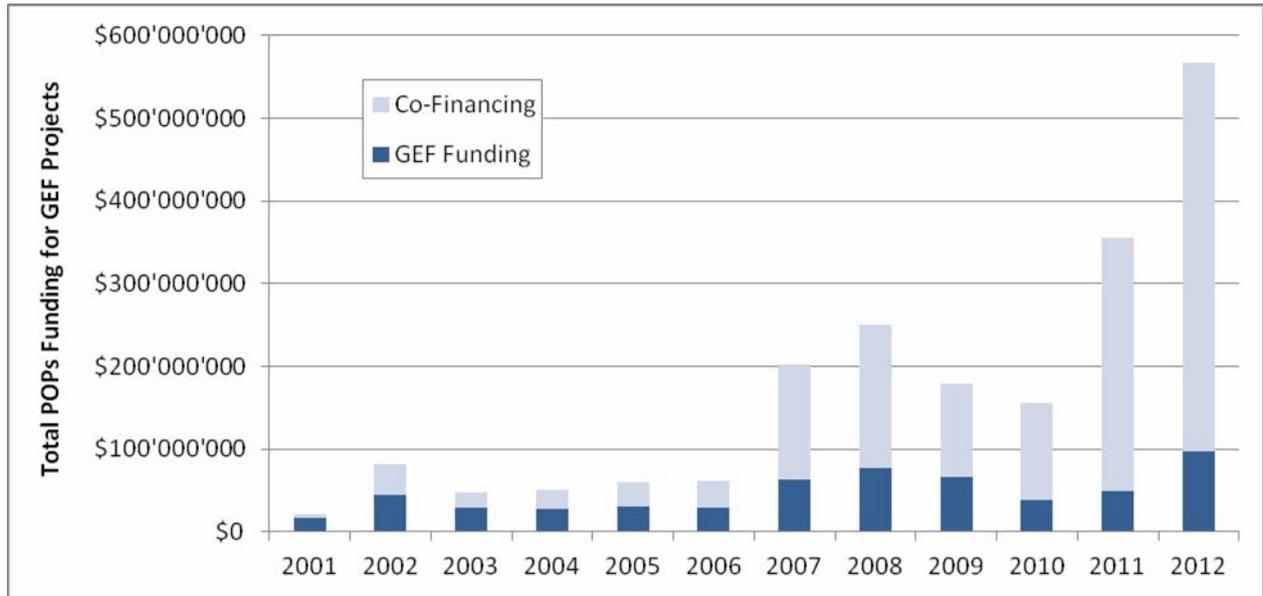
### Conclusions:

- ❖ Cofinancing has increased from \$1.97 per dollar of GEF grant in the second review period, up to \$4.02 per dollar of GEF grant in this review period. This trend reflects the shift in the POPs portfolio from planning (i.e., NIPs) to project implementation.
- ❖ Country governments represent the largest single source of cofinancing for POPs, representing 43% of total cofinancing leveraged for POPs between November 2008 and June 2010.
- ❖ GEF expectations for levels of cofinancing are not transparent.

In addition to the grants provided by the GEF, cofinancing is also provided to augment funding for POPs activities. In total, almost \$1.5 billion has been committed to POPs projects by cofinancing sources to supplement the funding provided by the GEF, representing roughly 72% of total funding for POPs projects under the GEF. Across all POPs projects, 95% of the cofinancing has been leveraged for full-sized projects, as might be expected, given that these projects may be able to attract larger amounts of cofinancing by simple virtue of their larger scale. Only 4% of total cofinancing has been leveraged for medium-sized projects and 1% was leveraged for enabling activities.

During the initial years of the POPs focal area, funding provided by the GEF outweighed funding provided by other sources; however, over time, the portion of funding coming from cofinancing sources has significantly grown. Specifically, cofinancing has increased from \$1.97 per dollar of GEF grant in the second review period, up to \$4.02 per dollar of GEF grant in this review period. This trend reflects the shift in the POPs portfolio from planning (i.e., NIPs) to implementation. Figure 6 below summarizes total funding for GEF projects by year and source.

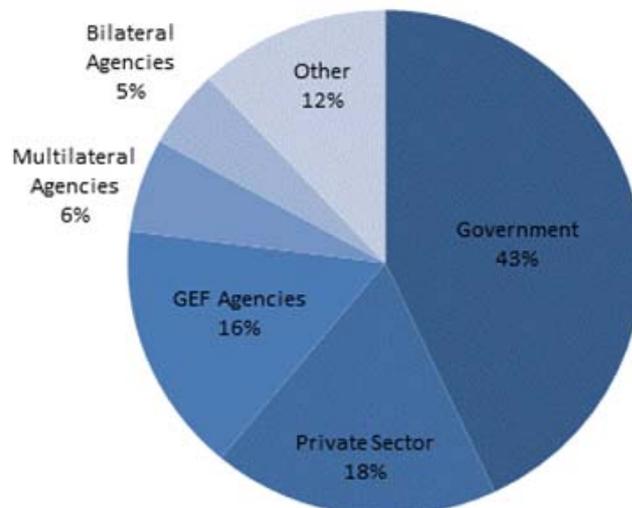
**Figure 6: Portion of Funds Coming from the GEF versus Cofinancing Sources by Year**



It should be noted that the amounts shown in Figure 6 represent promised cofinancing. Actual cofinancing is reported in annual project implementation reports and project terminal evaluations, and not regularly aggregated. To-date the COP has not requested aggregated information on actual cofinancing leveraged for POPs projects. Even so, the *Fourth Overall Performance Study of the GEF* found that across all GEF focal areas on average 95% of promised cofinancing materialized, but acknowledged that there was a substantial range in that average, with only 75% of promised cofinancing materialized for 35% of completed projects and less than half materializing for 10% of the projects. No assessment was specifically made of the materialization of cofinancing for POPs projects.

Cofinancing for POPs is provided by a variety of sources, with country governments representing the largest co-financing source. Based on the *Report of the GEF to the Fifth Meeting of the COP to the Stockholm Convention on POPs* (2011), between November 2008 and June 2010 governments leveraged 43% of the cofinancing for POPs projects, the private sector leveraged 18%, GEF Agencies leveraged 16%, and multilateral and bilateral agencies leveraged 11%. The remaining 12% was leveraged by other sources (e.g., universities, NGO). Figure 7 below summarizes the percentage of cofinancing leveraged by each stakeholder group.

**Figure 7: Percentage of Co-Financing Leveraged by Stakeholder Group (Nov 2008-June 2010)**



There was consensus among stakeholders consulted for this review that the GEF's expectations for cofinancing are not specifically articulated, but that cofinancing is an important element of gaining project approval. Certain aspects of the cofinancing process are challenging for POPs projects; for instance, getting cofinancing commitment letters in advance of project approval is often difficult. Project cycle timing can also present an obstacle for leveraging cofinancing from the private sector; for example, a private company may commit a certain amount of financing for a POPs project, but their ability to actually provide that funding may not hold true a year or two later, once the project is ready to be implemented.

The *Fourth Overall Performance Study of the GEF* found that the GEF partnership has emphasized the overall cofinancing ratio more than the specific characteristics of the projects for which cofinancing has been sought. This focus may distort the system by encouraging projects that generate higher cofinancing and crowding out projects with lower cofinancing, but that might be more cost-effective in producing global environmental benefits. In the POPs focal area, it was suggested by some stakeholders that this distortion of incentives may have contributed to the majority of GEF funds being channeled to a small number of larger countries. Analysis of the distribution of GEF funding for POPs among regions and countries is provided in section 6.4 below.

### 6.3 Other sources of funding

#### Conclusions:

- ❖ In addition to funds provided through the GEF, funding is also provided by Parties for projects implemented separately. In 2009, of the 43 Parties that provided responses to the resources question in their national reports, 38 indicated they had mobilized national resources to implement the Convention and 15 indicated that they had provided assistance to developing countries and countries with economies in transition either directly or through multilateral agencies.
- ❖ Information on the quantity or adequacy of funding for projects implemented outside of the GEF framework is not systematically reported or tracked.

Article 13 of the Stockholm Convention establishes a mechanism for providing adequate and sustainable financial resources to developing country Parties and Parties with economies in transition to assist in their implementation of the Convention. Article 14 of the Stockholm Convention identifies the GEF as the principal entity entrusted with the operations of the financial mechanism, and it is expected that the majority of funding for POPs is channeled through the GEF. However, additional funding may be mobilized through additional avenues, including bilaterally, through multilateral agencies, from other funding institutions, and through private sector investments.

#### Information Provided through National Reports

National reports also show that a number of Parties provide funding for POPs projects outside of the GEF framework. Pursuant to Article 15 of the Convention, Parties are asked to report on the measures they have taken to implement the provisions of the Convention. As part of this request, Parties are asked to report on the total quantity of contributions by year provided for the purposes of technical assistance and technology transfer as well as the quantity provided through other bilateral, regional and multilateral sources or channels. To date, there have been two rounds of reporting, with reports due in July 2007 and July 2011. An assessment by the Stockholm Convention Secretariat in 2009 showed that of the 43 Parties that provided responses to the resources question in the first round of the national reports, 38 indicated they had mobilized national resources to implement the Convention. In addition, 15 indicated that they had provided assistance to developing countries and countries with economies in transition either directly or through multilateral agencies.<sup>16</sup>

While it is clear that non-GEF resources are being provided, as the *Second Review* also found, data on the quantity or adequacy of funding provided are not systematically reported or tracked. In general, the

<sup>16</sup> Stockholm Convention on POPs (2009). *Effectiveness Evaluation*, UNEP/POPS/COP.4/30.

information provided in the national reports is not collected in such a way to clearly indicate the quantity of funding provided by other sources for projects implemented outside of the GEF.

Stakeholders interviewed for this review were similarly unable to provide detailed information on funding for POPs provided outside of the GEF. Many stakeholders did indicate that some POPs projects have been completed with bilateral funds; however, they were unable to provide specific information on these activities or the level of funding provided. Other funding sources of note included Canada's POPs Trust Fund, Japan International Cooperation Agency (JICA), and the Strategic Approach to International Chemicals Management (SAICM). Some stakeholders also indicated that POPs are sometimes addressed through other activities related to chemicals, yet these activities and the funding associated with them are similarly not specifically tracked nor are they reported under the Stockholm Convention.

### *Mobilization of Resources*

According to a note by the Stockholm Convention Secretariat,<sup>17</sup> the Secretariat has previously requested that Parties and other possible sources of funding—including relevant funding institutions and the private sector—provide information on the ways and means in which they could support the Convention. The Secretariat had not received any information in time for COP-4, and thus the fourth COP requested the Secretariat to prepare a report reviewing the availability of financial resources additional to those provided through the GEF and ways and means of mobilizing and channeling those resources in support of the objectives of the Convention (decision SC-4/24). To inform this report, the Secretariat invited Parties and other stakeholders to complete a questionnaire. Input was received from four Parties as well as several observers,<sup>18</sup> however, it was not possible to compile comprehensive information on the availability of resources additional to those provided through GEF given the low response rate.<sup>19</sup>

In addition, section 7.5 below addresses broader international efforts to mobilize resources for the sound management of chemicals and waste, and implications for the GEF as the principal entity entrusted with the operation of the financial mechanism for the Convention.

## 6.4 The POPs portfolio

### **Conclusions:**

- ❖ During the review period, the POPs portfolio has shifted from project planning in the form of NIPs to a focus on project implementation.
- ❖ The funding for POPs received by the top five funded countries—China, India, Vietnam, Kazakhstan, and the Philippines—exceeds the amount received by the remaining 131 countries by almost \$15 million.

### *GEF POPs Funding by Evaluation Period*

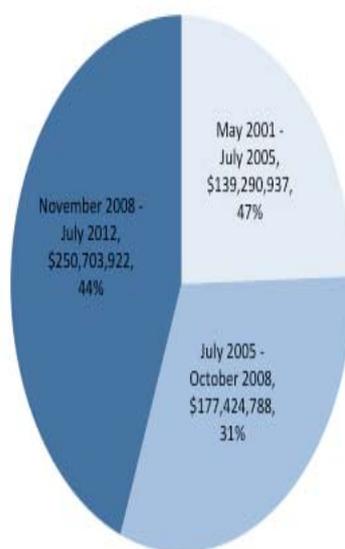
During the study period for this review (i.e., November 2008 through July 2012) a total of 72 projects worth more than \$250 million were approved by the GEF. This approved funding is significantly higher than the total funds approved during each of the previous two evaluation periods (July 2005-October 2008 and May 2001-July 2005), which represented 66 and 123 projects, respectively. The distribution of projects covered by each of these evaluation periods by level of funding is shown below in Figure 8.

<sup>17</sup> Stockholm Convention on POPs (2009). *Mobilization of Resources*, UNEP/POPs/COP.4/26.

<sup>18</sup> The completed questionnaires received in response have been reproduced in document UNEP/POPs/COP.5/INF/18.

<sup>19</sup> Stockholm Convention on POPs (2011). *Report on information regarding the availability of financial resources additional to those provided through the Global Environment Facility and ways and means of mobilizing and channeling those resources in support of the objectives of the Convention*, UNEP/POPs/COP.5/22.

**Figure 8: Summary of Funding for POPs Projects by Evaluation Period**

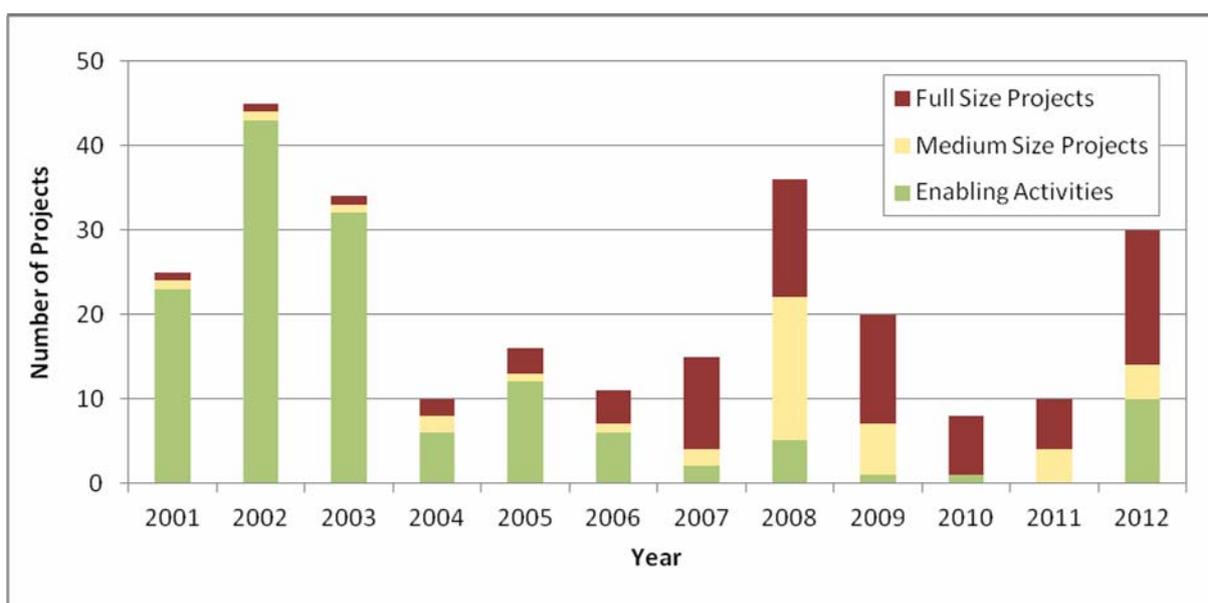


**Shifting the Portfolio from Planning to Implementation**

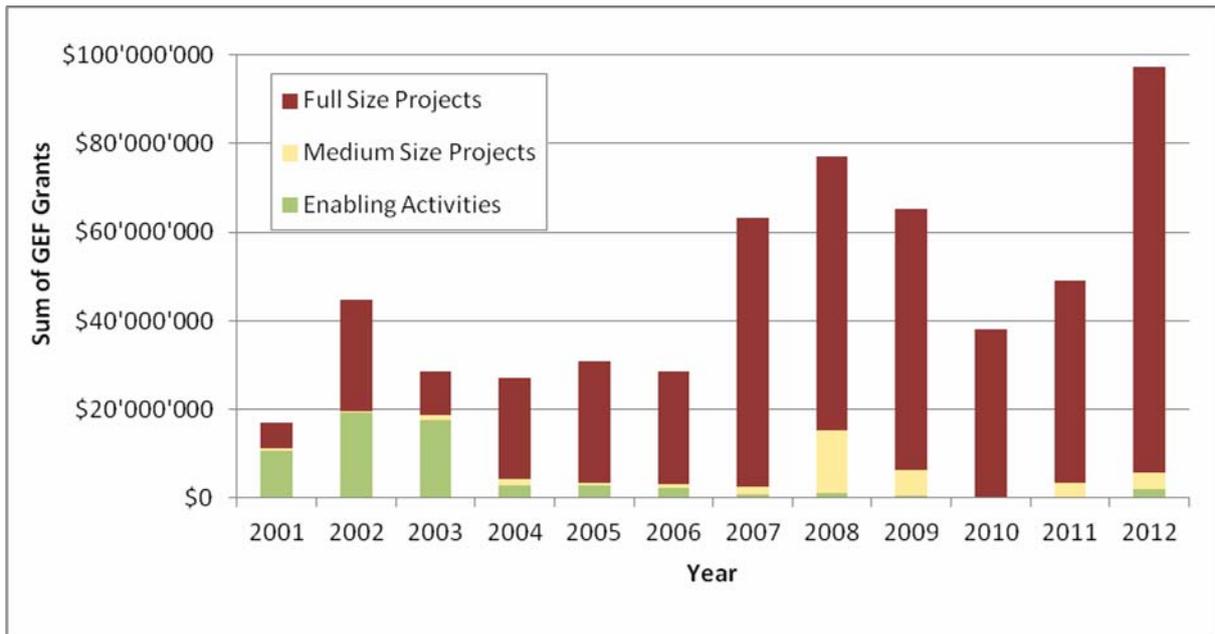
As noted, funding for POPs has increased under the GEF as the POPs project portfolio has shifted from project preparation (i.e., development of NIPs) to project implementation. Specifically, during this review period, the GEF has approved grants worth more than \$250 million, representing roughly 44% of total funds provided to-date. At the same time, the number of full-sized and medium-sized projects has increased to 57 during this review period, representing 80% of all POPs projects approved. During the first and second review periods, full-sized and medium-sized projects represented only 11% and 76% of all POPs projects, respectively.

While there has been a general shift from project preparation to project implementation, over the past year new enabling projects have also been undertaken to update NIPs to address the ten new POPs now covered under the Stockholm Convention. Figure 9 below shows the number of projects approved by the GEF by year and project type. Figure 10 shows the total funding approved by the GEF by year and project type.

**Figure 9: Number of POPs Projects Funded by Year and Project Type**



**Figure 10: GEF Funding for POPs Projects Funded by Year and Project Type**



**Distribution of POPs Funding by Region and Country**

POPs projects funded by the GEF have been implemented in 136 countries around the world, with the largest number of projects being implemented in Africa and Asia. In regards to funding, countries in Asia have received the largest portion of funds, equal to roughly \$243 million and representing more than 40% of total GEF grants. Figure 11 summarizes the regional distribution of POPs projects funded by the GEF.

**Figure 11: Regional Breakdown of GEF-Funded POPs Projects (May 2001-July 2012)**

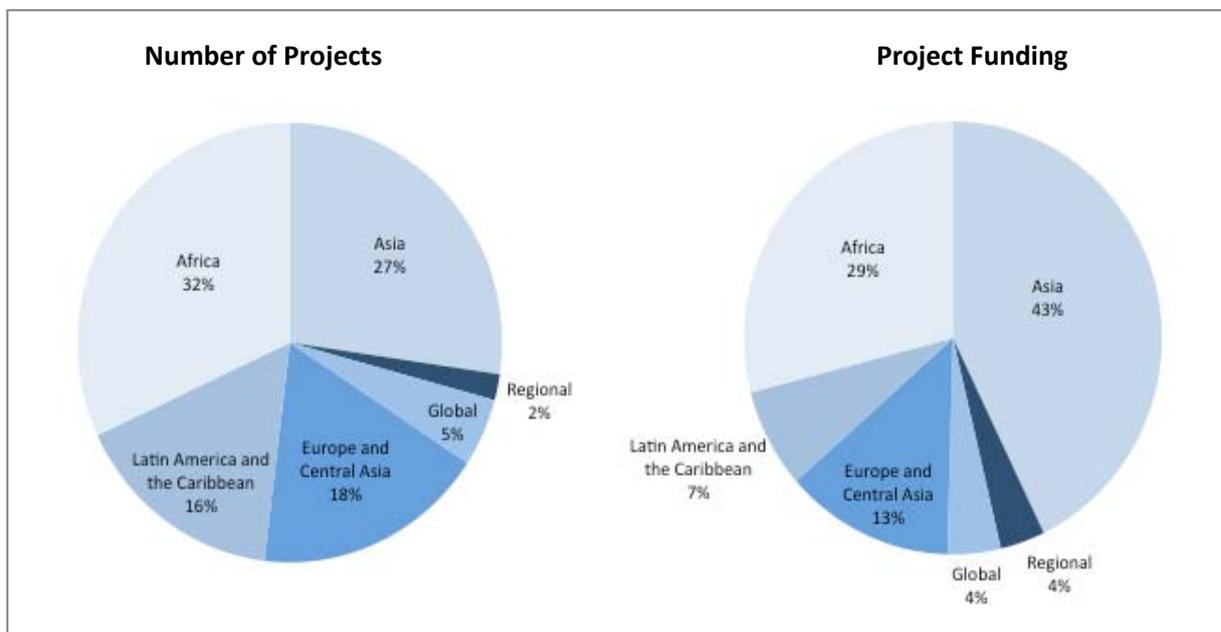
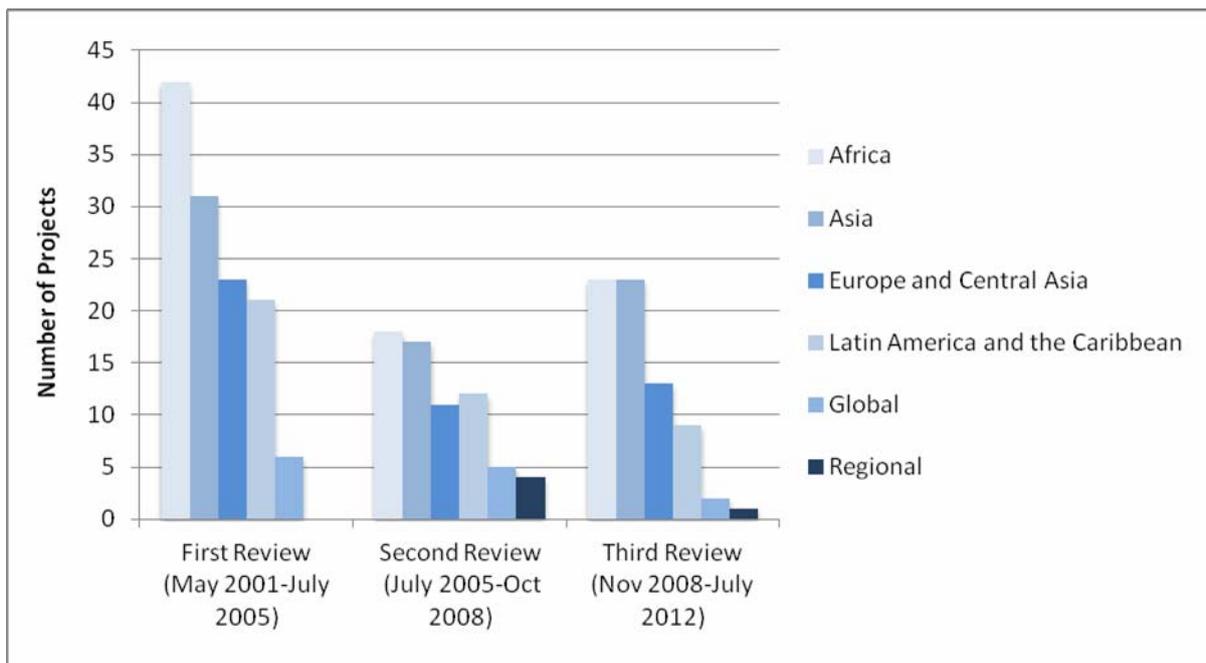


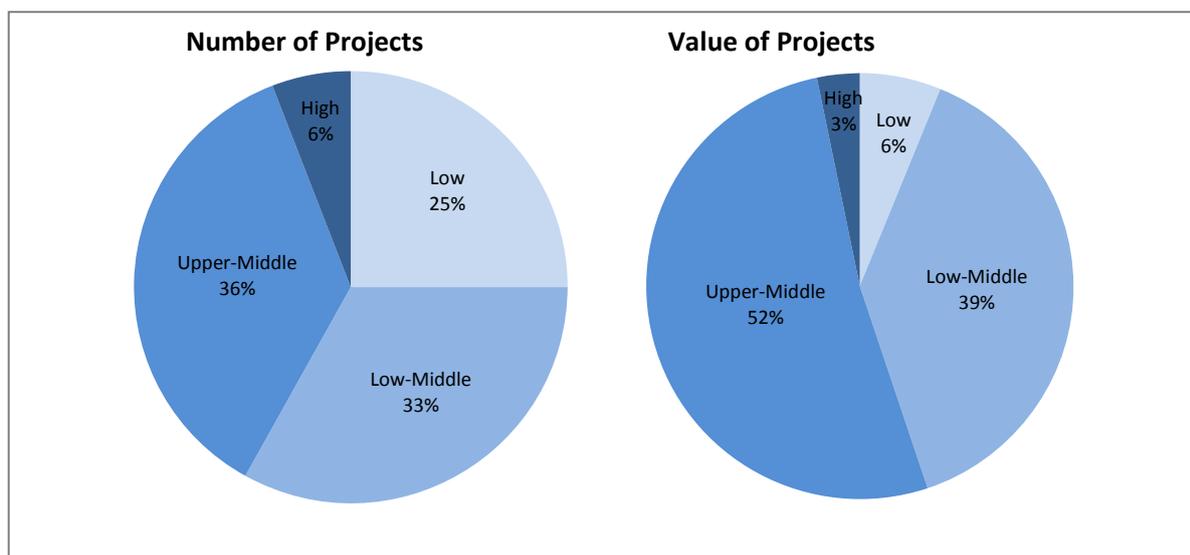
Figure 12 below presents the number of projects by region during each review period. As noted by the *Second Review*, the number of POPs projects granted by the GEF for African nations was relatively high due to the initial need for NIP preparation. Over time, as projects have moved into the implementation phase, the portion of projects hosted by African nations has declined while the portion of projects hosted by Asian nations has increased.

**Figure 12: Number of POPs Projects by Region and Review Period**



Across all countries, the vast majority of POPs projects have been implemented in middle income-level countries. As shown below in Figure 13, over two-thirds of all POPs projects funded by the GEF were implemented in low-middle or upper-middle income countries, representing more than 90% of total GEF funds. In addition, 25% of all projects were implemented in low income-level countries, and 6% of all projects were implemented in high income-level countries, representing 6% and 3% of total GEF funds, respectively.

**Figure 13: Breakdown of GEF-Funded POPs Projects by Income Level (May 2001-July 2012)\***



Per capita income levels are defined as follows: low = \$1,025 or less; low-middle = \$1,026-\$4,035; upper-middle = \$4,036-\$12,475; high = \$12,476 or more.

Nations that hosted the largest number of POPs projects funded by the GEF include China, Vietnam, India, Kazakhstan, Morocco, and the Philippines. All other nations have hosted no more than 3 projects each. Nations that have received the largest sum of grants include China, India, Vietnam, Kazakhstan, and the Philippines. The funding received by these five countries exceeds the amount received by the remaining 131 countries by almost \$15 million. Compared to all other nations, China and India have received on average the largest amount of funding per project. In addition, of the full-sized and medium-sized projects

that had been completed in the Asia as of 2012, three were in China while the fourth was in India. Table 5 summarizes the quantity of funds received from the GEF by the top 10 funded countries.

**Table 5: Summary of Total GEF Funding for the Largest Recipients of Funds**

Country	Income Level	Number of Projects	Total GEF Funding	Average Funding per Project	Percent of Total GEF Funding
China	Upper-Middle	13	\$122,024,080	\$9,386,468	21.5%
India	Low-Middle	4	\$37,341,100	\$9,335,275	6.6%
Vietnam	Low-Middle	8	\$28,277,073	\$3,534,634	5.0%
Kazakhstan	Upper-Middle	4	\$17,550,000	\$4,387,500	3.1%
Philippines	Low-Middle	4	\$13,930,000	\$3,482,500	2.5%
Nigeria	Low-Middle	3	\$10,948,700	\$3,649,567	1.9%
Slovak Republic	High	2	\$10,479,040	\$5,239,520	1.8%
Morocco	Low-Middle	4	\$8,644,800	\$2,161,200	1.5%
Egypt	Low-Middle	2	\$8,596,500	\$4,298,250	1.5%
Moldova	Low-Middle	2	\$7,981,500	\$3,990,750	1.4%

## Chapter 7

# Effectiveness of Performance

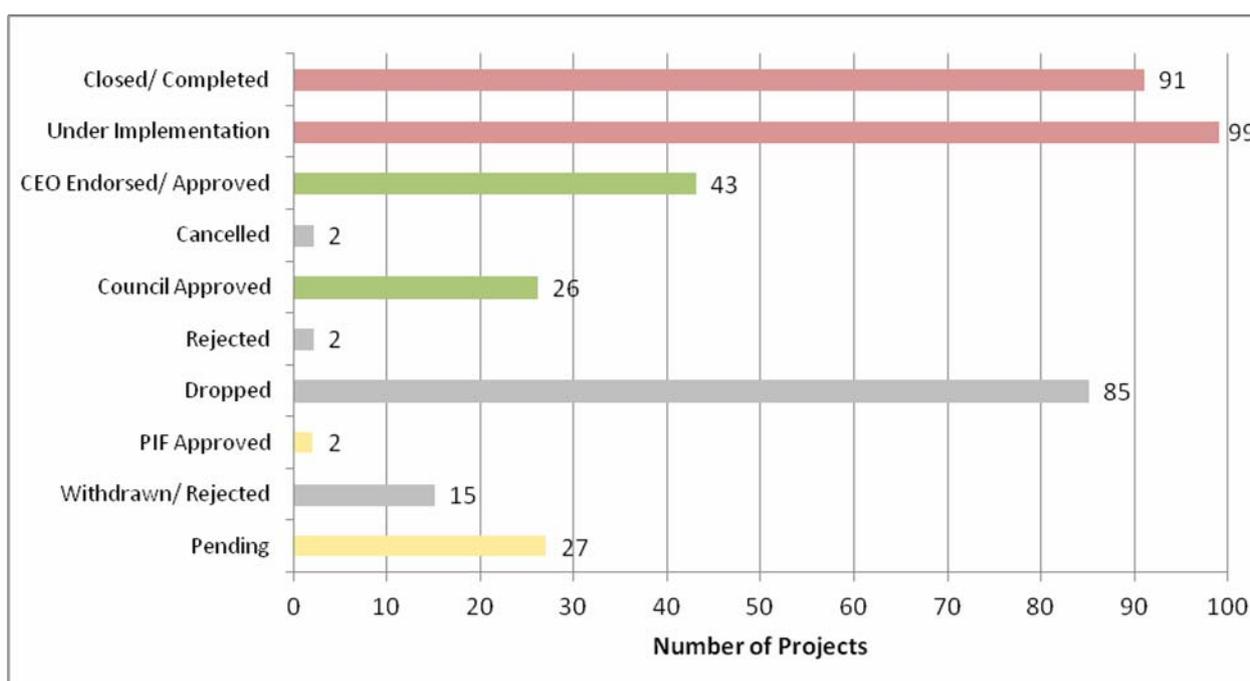
### 7.1 GEF project cycle

#### Conclusions:

- ❖ The project approval process has become more transparent and predictable since the previous review period. The majority of survey respondents agreed that the GEF project approval process is predictable, clear, and easy to track.
- ❖ Although the procedures for the project cycle have improved, stakeholders consulted for this review still reported occasions of non-transparency and unpredictability when projects are moving through the project cycle. In particular, some recipient countries stated that they had insufficient information available on both the status of project concepts as well as the reasons that some projects are dropped. Additionally, there is insufficient transparency and predictability in the PIF approval processes.
- ❖ The efficiency of the GEF project cycle has improved during the review period, with average elapsed times between key steps in the project review cycle for full-sized and medium-sized projects within the targets established by the GEF. However, the elapsed time between initial and final approval for POPs projects has been increasing each year since 2008.
- ❖ The time between PIF submission and PIF approval by the CEO exceeded the 40 day benchmark set by the GEF for 64% of POPs projects submitted during this review period.

Since the establishment of POPs as a GEF focal area, a total of 392 projects have entered the GEF project cycle, including 167 enabling activities, 82 medium sized projects, and 143 full sized projects. Of these projects 259 have been approved by the GEF, including 190 that are either under implementation or have been completed. As of July 2012, 2 projects had also received PIF approval, one of which is a medium sized project that does not require GEF Council approval, while 27 projects were pending approval. All other projects have been cancelled, dropped, withdrawn, or rejected. Figure 14 below summarizes the status of all POPs projects that have entered the GEF project cycle from July 2001 through July 2012.

**Figure 14: Summary of Project Status for POPs Projects (as of July 2012)\***



\* The information presented in the figure reflects project status as characterized in the GEF PMIS as of July 2012. Four projects categorized as 'pending' in the GEF PMIS, and the figure above, have actually been approved under the direct access pathway.

### *Transparency, Simplicity, and Flexibility of the Project Cycle*

In order to receive funding from the GEF, POPs projects are subject to the project approval processes defined by the GEF. As summarized below in Table 6, the project approval process varies depending on the project type, with more involvement required for projects with higher funding requests. Some medium sized projects and enabling activities can be approved under expedited procedures, with approval authority delegated to the CEO rather than the Council. Under these circumstances, submission of a PIF is not required. However, medium sized projects that request a project preparation grant (PPG) must also submit a PIF. Similarly, enabling projects that request funding that exceeds the ceiling approved by the Council must be processed as either a medium sized project or full sized project, depending on the requested level of funding.

**Table 6: Summary of the GEF Project Approval Process by Project Type\***

Project Type/Definition	Applicability/Type	Project Approval Process
<b>Full Sized Projects:</b> Projects that request more than \$1 million in GEF resources	All full sized projects	1) CEO review of the project concept (PIF) 2) Council approval of the PIF 3) CEO endorsement of project documentation 4) Implementation supervision, monitoring, and final evaluation of the project
<b>Medium Sized Projects:</b> Projects that request less than \$1 million in GEF resources	Expedited	1) CEO approval of project documentation
	If a project preparation grant (PPG) is requested	1) CEO review of the PIF and PPG 2) CEO approval of project documentation
<b>Enabling Activities:</b> Projects that provide financing for the preparation of a plan, strategy, program or national communication or report to fulfill commitments under one of the conventions that the GEF serves	Expedited	1) CEO approval of project documentation
	If requested funding exceeds ceiling approved by the Council	**Projects are processed as either a medium sized project or full sized project, depending on the level of funding requested**

\*For all project types, recipient countries must work with a GEF Agency to develop a project concept, PIF, and project document. Following endorsement/approval by the CEO, the GEF Agency is then subject to its own internal procedures to approve the project and start project implementation. Starting in GEF-5, countries can also finance expedited enabling projects through the "direct access" pathway. Countries using this pathway must follow the GEF Secretariat's direct access procedures.<sup>20</sup> In the POPs focal area, no projects have been approved under the direct access pathway through July 2012.

The COP has formally encouraged the GEF to streamline its project cycle on three occasions, including once during this review period. The GEF project cycle was most recently updated and approved by the GEF Council in June 2007,<sup>21</sup> following an evaluation of the project cycle by the GEF EO in 2006.<sup>22</sup> Key improvements included streamlining the project cycle into clearly defined steps and establishing business standards for the response time of the GEF Secretariat and the target elapsed time from PIF approval to CEO endorsement.

Overall, there is agreement among stakeholders that the GEF project approval process has become more transparent since the previous review period. Among respondents to the survey conducted for this review, over 85% of respondents agreed with or felt neutral about the statement that the GEF project approval

<sup>20</sup> GEF (2010). *Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Conventions Reports – With Direct Access by Recipient Countries*.

<sup>21</sup> In November 2008, the GEF updated the June 2007 project cycle paper to incorporate comments and recommendations from subsequent Council meetings in addition to provisions on the processing procedures outlined in an April 2008 Council paper (*From Projects to Programs: Clarifying the Programmatic Approach in the GEF Portfolio*).

<sup>22</sup> GEF Evaluation Office (2007). *The Joint Evaluation of the GEF Activity Cycle and Modalities*. The main findings and recommendations of this evaluation were presented to the GEF Council in December 2006.

process is predictable, and over 75% of respondents agreed with or felt neutral about the statement that the GEF project approval process clear and easy to track. In addition, some Parties that were interviewed for this review generally expressed satisfaction with the transparency and predictability of the project approval process.

Although the procedures for the project cycle are clearly stated and have been improved, stakeholders consulted for this review still reported occasions of non-transparency and unpredictability when projects are moving through the approval and pre-approval process. For example, the GEF Council and many countries have previously commented on and expressed concern about the lack of information available on the status of project concepts, which are not formally tracked by countries, GEF Agencies, or the GEF Secretariat. Across all focal areas the GEF intends to more closely track the time elapsed between the submission of a project concept by a country to a GEF Agency and the submission of the PIF by that Agency to the GEF Secretariat.<sup>23</sup> This information is a new progress indicator that the GEF Secretariat intends to track by designing a webpage to enable country operational focal points to record such concepts. This information will then be tracked in the PMIS, ensuring greater transparency in the future.

There is also a lack of clarity in regards to projects that are dropped. 'Dropped' projects are labeled as such when they are dropped by a GEF Agency or country before approval. In the POPs focal area, a number of projects have been dropped prior to GEF approval. Specifically, a total of 14 enabling activities, 35 medium sized projects, and 36 full sized projects have been dropped. Based on the information available in the GEF PMIS,<sup>24</sup> POPs projects that entered the project cycle during this review period were dropped on average 6 months after first receipt of project documents by the GEF.<sup>25</sup> Information on dropped POPs projects has not been requested by the COP to-date.

According to stakeholders interviewed for this review, project concepts do not reach the PIF stage for a variety of reasons, often relating to the likelihood of the project being funded by the GEF. The GEF Agencies emphasized the need to screen the project concepts closely to ensure that efforts are not wasted pursuing projects that are ultimately unlikely to be approved by the GEF. For projects to be funded, they must align with GEF priorities and meet other requirements such as those related to co-financing. These requirements are perceived by stakeholders as rigid and specific. In addition, project complexity, focal point turnover, and political disagreement within a country were also cited as possible reasons why project concepts do not reach the PIF stage.

To better understand the likelihood of PIF approval by the GEF, some GEF Agencies indicated that they consult the GEF Secretariat on project concepts prior to formal submission of a PIF. The GEF Secretariat also indicated that it is ideal to have upstream discussions with the Agencies about project concepts prior to PIF submission to catch initial issues that might exist. Once projects do reach the PIF stage, some stakeholders noted frustration in regards to the transparency and predictability of PIF approval. For example, most GEF Agencies with a POPs portfolio indicated that even when upstream discussions are held with the GEF Secretariat, projects are still occasionally rejected unexpectedly and without a fully articulated explanation. The *Fourth Overall Performance Study of the GEF* similarly concluded that the rules for termination of project proposals during the PIF review are not clear.

### *Timeliness of the Project Cycle*

At the time of the *Second Review* improvements had been initiated to improve the timeliness of the project cycle but it was too early to evaluate their impacts. Now, five years later, it is possible to assess reductions in elapsed time between project stages.

<sup>23</sup> GEF (2010). *GEF Project and Programmatic Approach Cycles*, GEF/C.39.Inf.3.

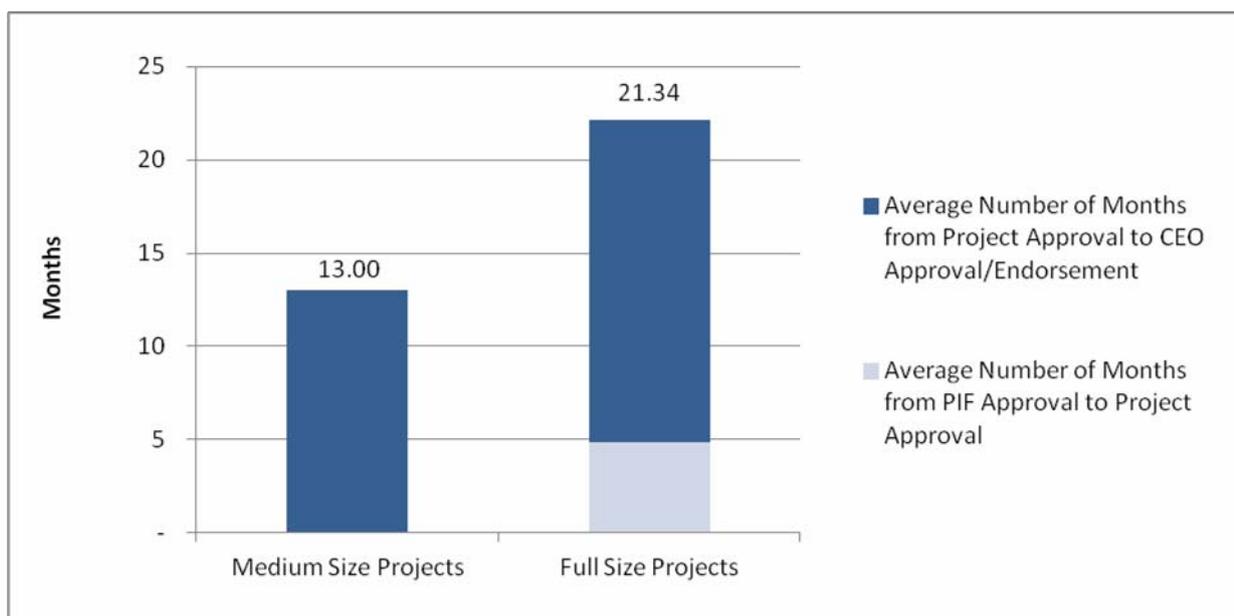
<sup>24</sup> The date of receipt and date dropped are not consistently recorded in the PMIS. The average months between project receipt (and/or first PMIS entry) and project dropping can only be calculated for 69 out of the 85 dropped projects.

<sup>25</sup> This elapsed time is significantly lower than the average for POPs projects that entered the project cycle during the first and second review periods, which were dropped on average 71 and 36 months, respectively, after the first receipt of project documents. The reason for this difference in elapsed time across review periods is not entirely clear, although it may be related to a lack of capacity to implement these projects in the early years of the Stockholm Convention. It is interesting to note that no projects in the POPs focal area were dropped until after 2008, even though some of these projects entered the project cycle as early as 2001.

For full sized projects, the GEF has targeted an elapsed time of 22 months on average from PIF approval to CEO endorsement; for medium sized projects, the GEF has targeted an elapsed time of 12 months on average from the date CEO approves the PIF with PPG to the date CEO approves the final project document. Achieving these targets is dependent on both the responsiveness of the GEF to project submissions, as well as the timeliness and quality of responses from GEF Agencies in collaboration with the countries. During this review period, POPs projects that have gone through the GEF project cycle have been approved on average within the elapsed times targeted by the GEF for full-sized projects and have almost met the elapsed times targeted by the GEF for medium-sized projects. These elapsed times represent a significant achievement that was recognized by stakeholders consulted for this review. As such, among respondents to the survey conducted for this review, 40% agreed with, and a further 43% were neutral to the statement that the GEF project cycle is efficient and timely.

From November 2008 through July 2012, PIF approval was achieved by a total of nine non-expedited medium-sized projects and 44 full-sized projects in the POPs focal area. Of these projects, all but one received Council approval, one project was cancelled following Council approval, and 28 projects are still awaiting CEO approval or endorsement. For projects that have completed the entire project cycle during this review period (i.e., seven medium-sized projects and 17 full-sized projects), the average number of months between PIF approval and CEO approval or endorsement is equal to 13 months on average for medium sized projects, and slightly more than 21 months for full sized projects. Figure 15 below shows the average number of months between key milestones in the project cycle for POPs projects that have completed the entire GEF project cycle during the November 2008 – July 2012 timeframe (i.e., PIF approval to CEO approval/endorsement).

**Figure 15: Average Time between Project Cycle Milestones for POPs Projects (Nov 2008-July 2012)**



Although on average the number of months between initial and final approval across all POPs projects is generally within the elapsed times targeted by the GEF, a significant proportion of POPs projects do not meet the GEF’s stated targets. Only about 30% of the individual medium-sized projects and 50% of the individual full-size projects had an elapsed time that met the GEF’s target. In addition, the trend since 2008 has been towards increasing approval timelines. Table 7 below summarizes the average number of months between project approval to CEO approval or endorsement for POPs projects, disaggregated by the year in which the project was approved or endorsed by the CEO.

**Table 7: Average Months between POPs Project Approval and CEO Approval/Endorsement by Year**

Project Type	Average Number of Months				
	2008	2009	2010	2011	2012
Medium Size Projects	7.33	13.83	13.50	18.00	NA

Full Size Projects	11.67	14.75	20.92	19.00	21.00
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In addition to monitoring the time between initial and final approval, the GEF also tracks the time elapsed from first PIF submissions to PIF approval by the CEO. According to the *Annual Monitoring Review for FY 2011*, 36% of full sized projects for which PIFs or project documents were approved by the Council in 2011 exceeded the 40 day benchmark for time elapsed from first PIF submissions to PIF approval by the CEO.<sup>26</sup> In the POPs focal area, the average number of days, as tracked in the PMIS, is significantly higher than 40 days. Specifically, the time elapsed from first PIF submissions to PIF approval by the CEO exceed 40 days for roughly 64% of POPs projects for which the PIF has been approved during this review period. This is slightly lower than the portion of POPs projects that had an elapsed time that exceeded 40 days between from first PIF submission to PIF approval by the CEO during the second review period, which was roughly 72%. Table 8 below summarizes the average number of days between PIF submission and PIF approval by the CEO, disaggregated by year in which the PIF was approved by the CEO.

**Table 8: Average Days between POPs PIF Submission and CEO PIF Approval by Year\***

Project Type	Average Number of Days					
	2007	2008	2009	2010	2011	2012
Medium Size Projects	61	64	356	NA	215	29
Full Size Projects	457	245	65	236	162	103
All POPs Projects	421	169	153	236	167	98

\*PIF approval dates for projects prior to 2007 are not recorded in the PMIS.

In comparison to other GEF focal areas, the time elapsed between PIF submission and CEO PIF approval for POPs projects is relatively high. According to the *Fourth Overall Performance Study of the GEF*, the median time taken from first submission to CEO PIF clearance for all GEF projects decreased from 84 days in FY 2008 to 38 days in FY 2009. However, as shown above in Table 8, for POPs projects, the average elapsed time during 2008 and 2009 far exceeded the average across all GEF projects.

## 7.2 GEF principles: incremental costs and global environmental benefits

### Conclusions:

- ❖ While the GEF guidance on incremental costs is clear, there is still confusion among recipient Parties about the principle and its application.
- ❖ The concept of global environmental benefits is generally perceived as clear and appropriate.

### Incremental Costs

Under Article 13 of the Stockholm Convention, developed country Parties are required to provide new and additional financial resources to enable developing country Parties and Parties with economies in transition to meet the agreed full incremental costs of implementing measures which fulfill their obligations under the Convention. As the principal entity entrusted with the operations of the financial mechanism of the Stockholm Convention, the GEF defines incremental costs as the additional costs associated with transforming a project with national or local benefits into one with global environmental benefits, as well. In 2007, following an evaluation of the incremental cost assessment by the GEF EO,<sup>27</sup> the approach for determining incremental costs was updated and streamlined into five key steps, which are summarized as follows:<sup>28</sup>

<sup>26</sup> GEF (2011). *Annual Monitoring Review FY11: Part 1*, GEF/C.41/04/Rev.02.

<sup>27</sup> GEF Evaluation Office (2006). *Evaluation of Incremental Cost Assessment*.

<sup>28</sup> GEF (2007). *Operational Guidelines for the Application of the Incremental Cost Principle*, GEF/C.31/12.

- 1) Determine the environmental problem, threat, or barrier, and the “business-as-usual” scenario;
- 2) Identify the global environmental benefits and fit with GEF strategic programs and priorities linked to the GEF focal area;
- 3) Develop the results framework of the intervention;
- 4) Provide the incremental reasoning and GEF’s role; and
- 5) Negotiate the role of cofinancing.

The COP has provided guidance to the GEF regarding the principle of incremental costs once since the establishment of the Stockholm Convention. Specifically, in 2006, as part of decision SC-2/11, the COP requested that the GEF clarify its approach to the application of the concept of incremental costs. As mentioned above, the GEF released operational guidelines for the application of the incremental cost principle in 2007, clarifying and streamlining the approach for determining incremental costs.

During this review period, in response to a request by the COP (decision SC-1/12 and decision SC-3/8), the Stockholm Convention Secretariat has provided guidance on calculating incremental costs. In 2009, the Stockholm Convention Secretariat released *Draft Guidance on Calculation of Action Plan Costs, including Incremental Costs and Action Plans for Specific Persistent Organic Pollutants*. While this guidance is helpful in ensuring that incremental cost guidance is communicated to the Parties, the discussion does not go far beyond information already provided by the GEF.

Since the guidelines were updated in 2007, the approach for assessing incremental costs has become clearer. The *Second Review* concluded that the operational guidelines for conducting incremental cost assessments are well explained by the GEF. The majority of stakeholders interviewed for this review similarly agree that the GEF guidance on incremental cost concepts and procedures is clearly stated. Survey results found that 48% of respondents strongly agree or agree with the statement that guidance on incremental cost concepts and procedures is clear, with 22% expressing neutrality on the topic.

Over a quarter of respondents, however, disagreed or strongly disagreed that guidance on incremental costs is clear. In addition, some stakeholders interviewed for this review expressed concern that recipient countries still have confusion regarding this concept, although GEF Agencies are able to provide useful guidance in this regard. This finding is echoed by the *Fourth Overall Performance Study of the GEF*, which concluded that limited understanding and limited clarity regarding GEF principles—including incremental costs, full costs, and cofinancing—continues to cloud discussions.

### **Global Environmental Benefits**

In addition to defining incremental costs, project developers must also identify the global environmental benefits for all projects funded by the GEF. According to the GEF, exposure to POPs can cause severe effects on human health through birth defects, cancers, and immune and reproductive system disorders, on biodiversity, and on ecosystems. Reducing POPs can thus produce global environmental benefits such as reduced risks for human health and the environment through reducing and eliminating production, use, and releases of POPs; and protecting ecosystems and their goods and services, including biodiversity, from POP impacts.<sup>29</sup>

Stakeholders generally agree that the approach used to identify global environmental benefits is appropriate, clear, and objective. Based on the survey conducted, almost 60% of respondents agreed with the statement that the approach for establishing global environmental benefits is appropriate and objective, with an additional 20% feeling neutral about the statement. Similarly, roughly 45% of respondents feel that global environmental benefits are determined consistently, with an additional 40% feeling neutral about the statement. Less than 5% of respondents disagreed with the statement that global environmental benefits are determined consistently.

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<sup>29</sup> <http://www.thegef.org/gef/GEB>

## 7.3 Country ownership

### Conclusions:

- ❖ Country priorities are generally perceived to be reflected in projects funded by the GEF.
- ❖ Country governments are generally perceived to be adequately involved in the project development and design process.
- ❖ The relationship between country governments and the implementation agencies in regards to involvement in project design and implementation is generally felt to be satisfactory.
- ❖ Using the new direct access pathway to obtain GEF funding could help increase country ownership.

### *Country Priorities*

For the POPs focal area, national priorities are first identified through the NIPs. Projects then must be linked to the NIPs in order to be developed, a process that seems to be largely effective in ensuring that country priorities are reflected in funded projects. Most stakeholders interviewed for this review, including country representatives and GEF Agencies, agree that country priorities are reflected in projects funded by the GEF. This was echoed by the finding that nearly 75% of survey respondents agreed with the statement that country priorities are reflected in projects funded by the financial mechanism; 20% of respondents were neutral on the topic and only 3% of respondents disagreed with the statement.

### *Level of Involvement of Country Governments*

There was agreement among all stakeholders consulted that country governments are adequately involved in the project development and design process. The survey distributed to Parties for this review found that recipient country governments unanimously agreed with or felt neutral about the statement that government is sufficiently involved in country activities that are funded by the financial mechanism. Moreover, stakeholders consulted for this review did not voice any major concerns regarding the relationship between country governments and the GEF Agencies in regards to involvement in project design and implementation.

### *Direct Access*

During this review period, based on a recommendation made by the participants to the Fifth Replenishment of the GEF Trust Fund, the GEF Council approved a new initiative to provide resources directly to countries for certain enabling activities, in a process that is known as “direct access.” In the POPs focal area, this means that all eligible Parties will have the option to directly request GEF resources—up to \$250,000—to finance activities related to the review and updating of NIPs to include the nine new chemicals added to the Stockholm Convention at COP-4. The direct access system gives countries the option of playing a direct role and improving ownership. To date, four projects in the POPs focal area have been approved using the direct access modality to access funds.

## 7.4 Level of stakeholder involvement

### Conclusions:

- ❖ There is concern that some stakeholders are not adequately involved in project implementation, although there has been limited evaluation to-date of individual POPs projects to confirm this.
- ❖ There is general agreement that the communication and coordination among the various stakeholders is largely satisfactory.

### *Adequacy of Involvement*

Some concern was noted that some stakeholders—or the “right” stakeholders—are not always adequately involved during project implementation. While NGOs and civil society are often needed to execute POPs

projects, distributing funds to them through the country governments can be a slow process. *The Fourth Overall Performance Study of the GEF* echoed these concerns, while acknowledging that substantive conclusions cannot be fully drawn given that only two POPs had been completed and were included in their portfolio review. That said, the GEF noted that eventual impact in the POPs focal area requires buy-in from the larger producer/consumer countries and from the industrial sector, government, civil society, and environmental nongovernmental organizations in those countries. Based on the two projects reviewed, provision for such support and participation was weak or lacking. In addition, in these two projects the GEF emphasis on enabling or capacity building around the Stockholm Convention was not matched with project outputs and outcomes focusing on obtaining buy-in by the key industrial producer sectors.

### *Quality of Communication between Stakeholder Groups*

Key POPs stakeholders—including the GEF Secretariat, the Stockholm Convention Secretariat, GEF Agencies, and country representatives—communicate with each other through a variety of channels. In addition to the formal communication between the GEF Secretariat and the COP, stakeholders communicate through workshops, webinars, seminars, task force meetings, and informal conversations. There is general agreement that the communication and coordination among the various stakeholders is largely satisfactory. In particular, the POPs Task Force was cited by multiple stakeholders as a productive way for the GEF Secretariat, the Stockholm Convention Secretariat, and GEF Agencies to communicate, although there may be room for improvement in terms of the exchange of information amongst the Agencies and the GEF Secretariat.

## **7.5 Other issues: the role of the GEF in broader chemicals and waste management**

### **Conclusions:**

- ❖ Stakeholders have expressed interest in broader efforts to mobilize funds for sound management of chemicals and waste.
- ❖ Any solution to partially or fully integrate POPs with broader chemicals and wastes management would require adequate and sustainable GEF resources in addition to those already available for POPs.

In addition to the elements identified for assessment in the Terms of Reference for this review, stakeholders expressed interest in broader efforts to mobilize funds for sound management of chemicals and waste, including POPs.

At the fourth meeting of the COP in May 2009, the UNEP Executive Director announced the start of a consultative process on financing options for chemicals and wastes. The overarching purpose of the consultations is to devise proposals for improving financing for chemicals and waste management. Six consultative meetings were held during the review period for this evaluation. At the end of this review period, the UNEP Executive Director had developed a draft proposal on an integrated approach to financing sound management of chemicals and wastes. This proposal emphasizes three aspects: (1) mainstreaming of chemicals and wastes into country development plans, priorities, and regulations, (2) industry involvement, and (3) an external financial mechanism. Notably, this approach proposes using the GEF as the sole external financial mechanism for a new integrated chemicals and wastes focal area. The resulting proposal from this consultative process confirms what several stakeholders have noted in consultations for this review: that the GEF is the best mechanism available for financing POPs, and for financing broader chemicals and wastes management. That said, the proposal recognizes that challenges have been identified with the GEF, and tries to improve upon those issues through efforts such as the establishment of National Chemicals and Wastes (NCW) Units to develop country capacity.

Stakeholder consultations for this review have indicated that the current level of funding available for POPs is insufficient, and there has been a tendency to expand POPs priorities and strategies without sufficient expansion in financial resources. It is clear that any solution to partially or fully integrate POPs with

broader chemicals and wastes management would require adequate and sustainable GEF resources in addition to those already available for POPs.

## Chapter 8

# Lessons Learned

### Conclusions:

- ❖ There is no systematic process for capturing lessons learned at the project and portfolio level and subsequently communicating that information back to Parties of the Stockholm Convention. Lessons learned are identified and conveyed *ad hoc*, through a variety of channels.
- ❖ Lessons learned were identified during this review period in the following categories: capacity building and NIP development, implementation, and effectiveness.

To-date, the financial mechanism has successfully assisted many Parties in meeting their obligations under the Stockholm Convention. Projects funded by the financial mechanism have developed global knowledge and awareness about POPs, identified country priorities, built capacity to deal with chemicals management, and involved industry sectors to produce sustainable outcomes. With the shift to implementation of the NIPs, progress has been made in phasing out POPs in developing countries and countries with economies in transition. Still, the Stockholm Convention and its financial mechanism face substantial future challenges. Lessons from POPs projects completed during this review period can inform the way forward for future projects.

Both the *Third Overall Performance Study of the GEF* (2005) and the *Fourth Overall Performance Study of the GEF* found that the GEF has no mechanism for pulling together past learning efforts in a comprehensive and coordinated way. That finding remained true throughout this review period. While lessons learned are valuable, there is no systematic process for capturing lessons at the project and portfolio level and subsequently communicating that information back to Parties of the Stockholm Convention. Instead, lessons learned are identified and conveyed *ad hoc*, through a variety of channels. For example, during this review period, the GEF has communicated some lessons and challenges in its reports to the COP. In addition, individual terminal evaluation reports for GEF projects, which have been completed during this review period for two FSPs and five MSPs, also contained several lessons that might be broadly applicable to other projects. A variety of lessons learned on POPs were also identified in several GEF EO reports including Country Portfolio Evaluations (CPEs), and in documentation prepared by the GEF Secretariat.<sup>30</sup> Each of these documents provided some lessons learned, but the wide range in types of documents consulted—from individual project reports to country-level evaluations to high-level reports to the Convention—meant that the lessons learned were similarly disparate. Some lessons were broad and non-specific, while others were observations that may be relevant only to very certain circumstances. This reality presented a challenge for this review in terms of identifying a cohesive set of lessons learned during the review period.

A full compilation of the lessons learned identified through this review can be found in Appendix E: Full Compilation of Lessons Learned; in addition to lessons identified through the documents identified above, stakeholders consulted for this review also identified a number of lessons learned from their own experiences. Lessons learned were identified in the following categories: capacity building and NIP development, implementation projects, and effectiveness of the financial mechanism. In addition, a subset of the lessons learned in Appendix E: Full Compilation of Lessons Learned that are broadly applicable to future projects of the financial mechanism are highlighted below.

### *Capacity building and NIP development*

A key lesson learned is that policy changes, including development of new regulations and/or establishment of a dedicated office for implementation of chemicals management activities, are critical

<sup>30</sup> Documentation on lessons learned was solicited from the GEF Secretariat. A presentation summarizing the Secretariat's Learning Mission in China and Vietnam, including lessons learned from the POPs portfolios in those two countries, was provided.

steps for ensuring the success of GEF POPs projects in recipient countries. Further, increasing public and industry awareness of POPs issues helps to ensure the continued success of POPs projects. The GEF has identified a number of challenges during the NIP development process that may be broadly applicable to future Stockholm Convention projects, as listed below in Table 9 for different country categories.

**Table 9: Challenges Identified by the GEF by Country Category**

Least developed countries	Large countries with decentralized government systems	Large countries with centralized government systems
<ul style="list-style-type: none"> <li>• Weak technical capacities</li> <li>• Insufficient human resource capacities and infrastructure</li> <li>• Absence of regulatory and policy frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• Absence of information on historically contaminated sites</li> <li>• Difficulty of conducting activities due to fragmented responsibilities</li> <li>• Weak consultation/slow agreement on approaches and plans</li> </ul>	<ul style="list-style-type: none"> <li>• Weak communication;</li> <li>• Lack of engagement of the far regions; heavy bureaucratic procedures</li> </ul>

### *Implementation projects*

In implementation, one lesson learned is that broad stakeholder engagement fosters problem ownership, accountability, information sharing, future cooperation and sustainability of results achieved. In addition, proper and regular monitoring of projects gives the opportunity to adjust activities in a timely manner so that project outputs may be accomplished. The GEF has identified several POPs-specific implementation challenges, including: substantial variations of costs for transport and disposal of POPs wastes; limited capacity of local companies to handle POPs wastes; inventories that increase beyond original estimates as the project is implemented and more is known of reality on the ground; issues with permitting and siting of hazardous wastes disposal facilities; and issues with the management of contaminated sites.

### *Effectiveness*

Regarding effectiveness at the project level, those projects that have the most potential for success were usually developed from the national development context to address an issue at the sector level. At the portfolio level, a number of evaluations looking at POPs impacts, including several GEF CPEs, have determined that it is too early to draw conclusions about the POPs portfolio. Of evaluations that have determined there is sufficient information to draw conclusions on POPs, those evaluations highlight successful results and have found GEF projects to be catalytic.

## Appendix A: Terms of Reference

### Objective

1. Pursuant to paragraph 8 of Article 13 of the Stockholm Convention, the Conference of the Parties will review the effectiveness of the financial mechanism established under Article 13 in supporting the implementation of the Convention, with a view to taking appropriate action, if necessary, to improve the effectiveness of the financial mechanism, including by means of recommendations and guidance to ensure adequate and sustainable funding. For this purpose, the review will include an analysis of:

(a) The financial mechanism's ability to address the changing needs of developing-country Parties and Parties with economies in transition;

(b) The criteria and guidance referred to in paragraph 7 of Article 13 of the Convention, including the financial mechanism's ability to incorporate policy guidance from the Conference of the Parties;

(c) The level of funding;

(d) The effectiveness of the performance of the institutional entities entrusted with the operation of the financial mechanism, including, pursuant to Article 14 of the Convention, the effectiveness of the performance of the Global Environment Facility (GEF) in its capacity as principal entity entrusted, on an interim basis, with the operation of the financial mechanism.

### Methodology

2. The review will cover the activities of the financial mechanism for the period from November 2008 to July 2012, with special emphasis on those activities concluded during the same period.

3. The review will draw on, among other things, the following sources of information:

(a) Information provided by Parties on their experiences gained through activities funded by the financial mechanism;

(b) Periodic reviews by the Conference of the Parties of the conformity of the activities of the financial mechanism with the guidance<sup>31</sup> provided to it;

(c) Reports submitted to the Conference of the Parties by the entity or entities entrusted with the operation of the financial mechanism;<sup>32</sup>

(d) Other reports provided by the entity or entities entrusted with the operation of the financial mechanism, including, among other things, the reports of the GEF Evaluation Office;

(e) Reports and information provided by other relevant entities providing multilateral, regional and bilateral financial and technical assistance pursuant to paragraph 6 of Article 13 of the Convention;

(f) Reports submitted by Parties pursuant to Article 15 of the Convention;

(g) Relevant information provided by intergovernmental and non-governmental organizations.

4. The entities entrusted with the operation of the financial mechanism are requested to provide to the Secretariat information relevant to this review in a timely manner.

5. Parties are encouraged to submit to the Secretariat information pursuant to paragraph 3 (a) above as soon as possible and not later than 30 November 2012.

6. Intergovernmental and non-governmental organizations are requested to provide to the Secretariat relevant information pursuant to the objectives of the present review, as soon as possible and no later than 30 November 2012.

7. In keeping with these terms of reference, the Secretariat will:

(a) Make adequate arrangements to ensure that the third review of the financial

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<sup>31</sup> Pursuant to paragraph 7 of Article 13, the Conference of the Parties adopted guidance to the financial mechanism by its decision SC-1/9.

<sup>32</sup> See paragraphs 14 and 15 of the draft memorandum of understanding between the GEF Council and the Conference of the Parties to the Stockholm Convention (UNEP/POPS/COP.1/19).

- (b) mechanism is undertaken in an independent and transparent manner;
- (c) Hire a consultant to prepare a draft report on the review;
- (d) Submit the draft report on the review to the Conference of the Parties for consideration at its sixth meeting.

## Report

8. The report on the third review will include the following elements:
  - (a) Overview of elements (a)–(d) of paragraph 1 above;
  - (b) Analysis of lessons learned from the activities funded by the financial mechanism during the period covered by the review;
  - (c) Assessment of the GEF principles of incremental cost and global environmental benefits as they pertain to activities relating to persistent organic pollutants in order to facilitate fulfilment of obligations under the Convention, along with lessons learned from the evaluation reports on GEF activities;
  - (d) Assessment of the adequacy, sustainability and predictability of the funding provided by the financial mechanism to implement the objectives of the Convention;
  - (e) Recommendations and guidance to improve the effectiveness of the financial mechanism in meeting the objectives of the Convention;
  - (f) Performance criteria set out in paragraph 10 below.
9. The Secretariat will submit the above-mentioned report to the Conference of the Parties for consideration at its sixth meeting. The report will be deemed an official document of the Conference of the Parties.

## Performance criteria

10. The effectiveness of the financial mechanism will be assessed taking into account, among other things:
  - (a) Responsiveness of the financial mechanism and the entities entrusted with its operation to guidance from the Conference of the Parties;
  - (b) Responsiveness of GEF, in its capacity as principal entity entrusted with the operation of the financial mechanism on an interim basis, to the resolutions adopted on 22 May 2001 by the Conference of Plenipotentiaries relating to interim financial arrangements;<sup>33</sup>
  - (c) Transparency of the project approval process;
  - (d) Procedures for accessing funds that are simple, flexible and expeditious;
  - (e) Adequacy and sustainability of the resources;
  - (f) Country ownership of activities funded by the financial mechanism;
  - (g) Level of stakeholder involvement;
  - (h) Any other significant issues raised by the Parties.

<sup>33</sup> UNEP/POPS/CONF/4, appendix I.

## Appendix B: Review Matrix

TOR Areas	Evaluation Criteria	Indicators/Data	Sources of information
Ability of the financial mechanism to address the changing needs of developing-country Parties and Parties with economies in transition	COP guidance is responsive to developing country needs	Emerging needs of developing countries are reflected in COP guidance	Interview/survey: GEF Secretariat, Stockholm Convention Secretariat, Parties, GEF Agencies Desk review: COP meeting summaries, COP Guidance to the Financial Mechanism, Needs Assessment, GEF reports to the COP, GEF Strategy documents
		COP guidance is modified in a timely fashion to reflect the changing needs of developing countries	
	GEF strategies for POPs Focal Area evolve as needed	POPs focal area strategies are modified in a timely fashion based on COP guidance	
The criteria and guidance of the Convention	Responsiveness of the GEF Council	GEF guidelines reflect guidance from the COP	Desk review: COP meeting summaries, COP Guidance to the Financial Mechanism, GEF reports to the COP, GEF Guidelines
		Quality of communication between the GEF and COP	Interview/survey: GEF Secretariat, Stockholm Convention Secretariat, Parties, GEF Agencies
	Responsiveness of other entities of the financial mechanism	Funding protocols/activities of the entities of the financial mechanism reflect guidance from the COP	Desk review: reports provided by entities providing multilateral, regional, and bilateral assistance pursuant to paragraph 6 of Article 13 of the Convention, including the GEF Agencies Interview/survey: select entities providing multilateral, regional, and bilateral assistance, including the GEF Agencies
		Quality of guidance and reports produced by the GEF	Clarity and completeness of guidance documents
Clarity and completeness of the reports provided by the GEF to the COP	Interview/survey: GEF Secretariat, Stockholm Convention Secretariat, GEF Agencies, Parties		
Level of funding	Allocation of funds during review period	Allocation of funding by year, country/region, project size, and project type	Desk review: Project portfolio, Needs Assessment, GEF reports to the COP, relevant reports provided by entities providing multilateral, regional, and bilateral assistance pursuant to paragraph 6 of Article 13 of the Convention, including the GEF Agencies
		Funding provided by the GEF vs. countries	

TOR Areas	Evaluation Criteria	Indicators/Data	Sources of information	
The effectiveness of the GEF in its capacity as the principle entity entrusted with the operation of the financial mechanism	Responsiveness of the GEF to Resolutions adopted 22/5/01	Effectiveness of the GEF in meeting the objectives of the Convention [Note: GEF's responsiveness in terms of requirements for procedures and accessibility of funds are addressed as separate evaluation criteria, below.]	Interview/survey: Stockholm Convention Secretariat, Parties, GEF Agencies, GEF Secretariat Desk review: Evaluation reports, COP meeting summaries	
	The transparency of the project approval process	Transparency of project approval steps	Interview/survey: Parties, GEF Agencies, GEF Secretariat, Stockholm Convention Secretariat Desk review: Project-related documentation, GEF Policy and Guideline documents	
	Procedures for accessing funds are simple, flexible, and expeditious	Process timing (according to project cycle steps)	Mechanisms for accessing funds	Desk review: Project-related documentation, project portfolio, GEF reports to the COP
				Interview/survey: GEF Agencies, GEF Secretariat, Stockholm Convention Secretariat, Parties
	Country ownership of GEF-funded activities	Reflection of country priorities in GEF projects	Level of involvement of country governments in GEF-funded activities	Interview/survey: Parties, GEF Secretariat, GEF Agencies, Stockholm Convention Secretariat
				Desk review: NIPs, GEF reports to the COP
	Level of stakeholder involvement	Quality and timing of communication and coordination among the GEF, Parties, GEF Agencies, and other stakeholders		Interview/survey: Parties, GEF Secretariat, GEF Agencies, Stockholm Convention Secretariat
Number of stakeholders involved in decision-making processes			Interview/survey: Parties, GEF Secretariat, GEF Agencies, Stockholm Convention Secretariat Desk review: GEF Evaluation reports, GEF reports to the COP, NIPs	
Other issues	TBD		Desk review: GEF Evaluation reports Interview/survey: Parties, Stockholm Convention Secretariat, GEF EO, GEF Secretariat, GEF Agencies	
Lessons learned from the activities funded by the financial mechanism during the period covered by the review	Lessons learned	Lessons learned: <ul style="list-style-type: none"> <li>• Procedural</li> <li>• Funding modalities</li> <li>• Implementation Issues</li> </ul>	Desk review: GEF Evaluation reports, GEF reports to the COP, GEF strategy documents, relevant reports provided by other entities providing multilateral, regional, and bilateral assistance pursuant to paragraph 6 of Article 13 of the Convention, including the GEF Agencies Interview/survey: Parties, GEF Secretariat, GEF Council, GEF Agencies, GEF EO, Stockholm Convention Secretariat	

TOR Areas	Evaluation Criteria	Indicators/Data	Sources of information
Assessment of GEF principles and implementation of past lessons learned	Application of the incremental costs and global environmental benefits (GEBs) principles	Reported incremental costs and global environmental benefits of GEF-funded projects	Desk review: Project documentation, project portfolio, evaluation reports, GEF reports to the COP
		Quality of guidance on incremental cost concepts and procedures	Interview/survey: Parties, GEF Agencies, GEF Secretariat, Stockholm Convention Secretariat
		Clarity/objectivity/appropriateness of the method/approach for calculating GEBs	Desk review: Project documentation, project portfolio, evaluation reports, GEF reports to the COP
		Consistency in the calculation of GEBs	
	Incorporation of lessons learned from previous evaluation reports on GEF activities	COP decisions in response to GEF evaluation recommendations	Interview/survey: Parties, GEF Secretariat, GEF EO, GEF Agencies, GEF Council, Stockholm Convention Secretariat
		GEF response to COP decisions relevant to GEF evaluation recommendations	Desk review: GEF evaluation reports, GEF reports to the COP, COP meeting summaries and Decisions, GEF strategy documents
Adequacy, sustainability, and predictability of resources	Adequacy, sustainability, and predictability of resources	Projects proposed vs. projects developed, submitted, approved, and funded	Desk review: Project portfolio (GEF project database)
		Proportion of funding for POPs during time period (2008-2012) and projected for future through the financial mechanism	Interview/survey: GEF Secretariat, GEF Agencies, other select entities of the financial mechanism Desk review: GEF documents (including GEF Replenishment documentation and Needs Assessment), other relevant documents prepared by entities of the financial mechanism
		Quality of communication between the GEF/other entities of the financial mechanism and COP regarding funding needs	Interview/survey: GEF Secretariat, Stockholm Convention Secretariat, GEF Agencies, GEF EO, other select entities of the financial mechanism
		Ability of Parties to develop NIPs and implement priority activities	Desk review: Project documentation, NIPs, Needs Assessment, GEF Replenishment documents Interview/survey: GEF Secretariat, Parties, Stockholm Convention Secretariat, GEF Agencies
		Project timeline from conception to approval	Desk study: GEF project database, GEF Agency documentation

## Appendix C: List of Documents Reviewed

<b>Stockholm Convention Documents</b>
Conference of Plenipotentiaries of the Stockholm Convention on POPs (2001). Final Act of the Conference of Plenipotentiaries on the Stockholm Convention on POPs, UNEP/POPS/CONF/4.
Stockholm Convention on POPs (2005). Decision SC-1/9: Guidance to the financial mechanism.
Stockholm Convention on POPs (2005). Memorandum of Understanding between the Conference of the Parties and the Council of the GEF, Annex to decision SC-1/11.
Stockholm Convention on POPs (2006). Draft report on the first review of the financial mechanism, UNEP/POPS/COP.2/INF/9.
Stockholm Convention on POPs (2006). Decision SC-2/11: Additional guidance to the financial mechanism.
Stockholm Convention on POPs (2007). Decision SC-3/16: Additional guidance to the financial mechanism.
Stockholm Convention on POPs (2009). Decision SC-4/27: Additional guidance to the financial mechanism.
Stockholm Convention on POPs (2009). Decision SC-4/28: Additional guidance to the financial mechanism.
Stockholm Convention on POPs (2009). Draft guidance on calculation of action plan costs, including incremental costs and action plans for specific persistent organic pollutants, UNEP/POPS/COP.4/INF/11.
Stockholm Convention on POPs (2009). Draft report on the second review of the financial mechanism, UNEP/POPS/COP.4/INF/17.
Stockholm Convention on POPs (2009). Effectiveness Evaluation, UNEP/POPS/COP.4/30.
Stockholm Convention on POPs (2009). Mobilization of Resources, UNEP/POPS/COP.4/26.
Stockholm Convention on POPs (2009). Report of the Conference of the Parties of the Stockholm Convention on POPs on the work of its fourth meeting, UNEP/POPS/COP.4/38.
Stockholm Convention on POPs (2009). Report on the assessment of funding needs of Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the period 2010-2014, UNEP/POPS/COP.4/27.
Stockholm Convention on POPs (2009). Report on the effectiveness of the implementation of the MOU between the COP and the GEF UNEP/POPS/COP.4/24.
Stockholm Convention on POPs (2009). Report on the priorities identified by Parties in their implementation plans transmitted to the COP pursuant to Article 7 of the Convention, UNEP/POPS/COP.4/13.
Stockholm Convention on POPs (2010). Stockholm Convention on Persistent Organic Pollutants as amended in 2009: Text and Annexes.
Stockholm Convention on POPs (2011). Compilation of submissions received by the Secretariat regarding ways in which to support the Stockholm Convention, UNEP/POPS/COP.5/INF/18.
Stockholm Convention on POPs (2011). Consolidated guidance to the financial mechanism, UNEP/POPS/COP.5/26.
Stockholm Convention on POPs (2011). Decision SC-5/23: Additional guidance to the financial mechanism.
Stockholm Convention on POPs (2011). Report of the Conference of the Parties of the Stockholm Convention on POPs on the work of its fifth meeting, UNEP/POPS/COP.5/36.
Stockholm Convention on POPs (2011). Report on the effectiveness of the implementation of the MOU between the COP and the GEF, UNEP/POPS/COP.5/23.
Stockholm Convention on POPs (2011). Report on information regarding the availability of financial resources additional to those provided through the Global Environment Facility and ways and means of mobilizing and channeling those resources in support of the objectives of the Convention, UNEP/POPS/COP.5/22.
Stockholm Convention on POPs (2011). Summary table of additional guidance to the financial mechanism, UNEP/POPS/COP.5/INF/21.
Stockholm Convention on POPs (2012). Guidance for Developing, Reviewing, and Updating a National Implementation Plan for the Stockholm Convention on Persistent Organic Pollutants.
Stockholm Convention on POPs (2012). Second Round of Party Reports pursuant to Article 15 of the Convention.
<b>GEF Documents</b>
GEF (2002). Summary of Negotiations on the Third Replenishment of the GEF Trust Fund, GEF/C.20/4.
GEF (2006). Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund, GEF/C.29/3.

GEF (2007). Focal Area Strategies and Strategic Programming for GEF-4, GEF/C.31/10/Revised.
GEF (2007). Operational Guidelines for the Application of the Incremental Cost Principle, GEF/C.31/12.
GEF (2007). Report of the GEF to the Third Session of the COP to the Stockholm Convention on POPs, UNEP/POPS/COP.3/INF/3.
GEF (2008). Policies and Procedures for the GEF Project Cycle.
GEF (2008). Management of the Project Cycle Operation: A Review, GEF/C.34.Inf.4.
GEF (2009). Reallocation of Remaining GEF-4 Resources.
GEF (2009). Report of the GEF to the Fourth Meeting of the COP to the Stockholm Convention on POPs, UNEP/POPS/COP.4/25.
GEF (2010). GEF-5 Focal Area Strategies: Chemicals Strategy.
GEF (2010). GEF-5 Programming Document, GEF/R.5/31/CRP.1.
GEF (2010). GEF Project and Programmatic Approach Cycles, GEF/C.39.Inf.3.
GEF (2010). Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Conventions Reports – With Direct Access by Recipient Countries.
GEF (2010). Strategy on Sound Chemicals Management for the 5th Replenishment Period of the GEF, GEF/C.39/Inf.11.
GEF (2010). Summary of Negotiations on the Fifth Replenishment of the GEF Trust Fund, GEF/C.37/3.
GEF (2011). Annual Monitoring Review FY11: Part 1, GEF/C.41/04/Rev.02.
GEF (2011). Building Partnerships for Sound Management of Chemicals.
GEF (2011). Report of the GEF to the Fifth Meeting of the COP to the Stockholm Convention on POPs, UNEP/POPS/COP.5/24.
GEF (2012). Chemicals Cluster Learning Mission: POPs Portfolio Promoting Government Mainstreaming and Private Sector Engagement in China and Vietnam.
GEF (2012). GEF Council Work Programs Submitted for Council Approval. Available online at: <a href="http://www.thegef.org/gef/work_programs">http://www.thegef.org/gef/work_programs</a> . Accessed November 13, 2012.
GEF (2012). Global Environmental Benefits. Available online at: <a href="http://www.thegef.org/gef/GEB">http://www.thegef.org/gef/GEB</a> . Accessed October 31, 2012.
<b>GEF Evaluation Office Documents</b>
GEF Evaluation Office (2005). OPS3: Progressing Toward Environmental Results.
GEF Evaluation Office (2006). Evaluation of Incremental Cost Assessment.
GEF Evaluation Office (2007). The Joint Evaluation of the GEF Activity Cycle and Modalities.
GEF Evaluation Office (2008). Midterm Review of the GEF Resource Allocation Framework.
GEF Evaluation Office (2009). Country Portfolio Evaluation: Egypt (1991-2008).
GEF Evaluation Office (2010). OPS4: Progress Toward Impact.
GEF Evaluation Office (2010). Country Portfolio Evaluation: Moldova (1994-2009).
GEF Evaluation Office (2010). Country Portfolio Evaluation: Turkey (1992-2009).
GEF Evaluation Office (2011). Country Portfolio Evaluation: Nicaragua (1996-2010).
GEF Evaluation Office (2011). Country Portfolio Evaluation: OECS (1992-2011).
GEF Evaluation Office (2012). Country Portfolio Evaluation: Brazil (1991-2011).
GEF Evaluation Office (2012). Evaluation of the GEF Focal Area Strategies, GEF/ME/C.43/Inf.01
GEF Evaluation Office (2012). Evaluation of the GEF Focal Area Strategies, Technical Paper 5: Chemicals.
GEF Evaluation Office (2012). Evaluation of the GEF Focal Area Strategies. Technical Paper 8: Review of Convention Guidance.
<b>Reports from GEF Agencies and Other Entities</b>
SAICM (2012). Report of the Mid-term Review of the SAICM Quick Start Programme, SAICM/EB.7/6.Rev.1.
Stockholm Convention Secretariat, UNEP, UNIDO, UNITAR, and the UN (2012). Guidance on Calculation of Action Plan Costs for Specific Persistent Organic Pollutants, Draft.
UNEP (2008). Final Evaluation of the projects 'Action Plan Training/Skills Building for 25 Least Developed Countries to assist with National Implementation Plan Development under the Stockholm Convention

(GLO/04/G35 – PIMS 3055)’ and ‘Action Plan Training/Skills Building for 15 Least Developed Countries to assist with National Implementation Plan Development under the Stockholm Convention (Atlas Project no. 00048698 – PIMS 3545)’.
UNEP (2009). Action Oriented Summary of Policy Options for Financing Chemicals and Wastes.
UNEP (2009). Terminal Evaluation: Assessment of Existing Capacity and Capacity Building Needs to Analyze POPs in Development Countries (GFL/2328-2760).
UNEP (2010). Terminal Evaluation of Project GF/4030-02-03: Development of National Implementation Plans for the Management of Persistent Organic Pollutants.
UNEP (2011). Third Meeting of the Consultative Process on Financing Options for Chemicals and Wastes, Background Document: Some Lessons Learned from Existing Financing Mechanisms and Practices for Chemicals and Wastes.
UNEP (2012). Integrated Approach to Financing the Sound Management of Chemicals and Wastes: Draft Proposal by the Executive Director of the United Nations Environment Programme.
UNIDO (2010). Terminal Evaluation Report: Capacity building for environmentally sound management of PCBs in Romania (GF/ROM/07/011).
UNIDO (2011). Terminal Evaluation Report: Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants.
UNIDO (2012). Independent Final Evaluation of the Project GF/VIE/08/005: Introduction of BAT and BEP Methodology to Demonstrate Reduction or Elimination of Unintentionally Produced Persistent Organic Pollutants Releases from the Industry in Vietnam.
World Bank (2009). Persistent Organic Pollutants: Backyards to Borders, Canada and the World Bank Achieving Results.
World Bank (2010). Terminal Evaluation Report: GEF MSP – China: Rapid Assessment of Chemical Contamination of the Wenchuan Earthquake in Sichuan Province.
World Bank (2011). Engaging in Partnerships to Support Implementation of the Stockholm Convention.
World Bank (2012). Implementation Completion Memorandum (ICM), Canada Persistent Organic Pollutants Fund.

## Appendix D: COP Decisions and GEF Responses

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The *Second Review* of the financial mechanism analyzed guidance from COP-1 through COP-3. This Appendix table builds upon the *Second Review*, assessing COP decisions and GEF responses during the third review period. It should be noted that COP-3 guidance was provided during the prior review period; however, the GEF response to that guidance was provided at COP-4 which falls under the current review period. The GEF's response to COP-3 guidance was therefore partially assessed in the *Second Review* of the financial mechanism, and this evaluation builds on that review by including the GEF's official response provided at COP-4. Similarly, COP-5 guidance was provided during this review period (April 2011); however, the official GEF response to that guidance will be provided at COP-6 (scheduled for May 2013). Since GEF replenishment phases do not coincide with the COPs phases, there is a lag between the guidance to the GEF, incorporation of that guidance into GEF strategies, and implementation of priority activities. If a full review of the GEF's response to COP-5 guidance is desired, it should therefore be assessed during the next review period.

It should also be noted that while all COP guidance is listed below, not all COP guidance is directly actionable by the financial mechanism (i.e., some decisions are directed at donor countries or the Convention Secretariat) and the GEF response is not assessed for those pieces of guidance.

COP Guidance	GEF Response in Reports to the COP	GEF Response in Strategies and Programs
<i>SC-3/16</i>		
<p><i>Welcomes</i> the successful fourth replenishment of the Global Environment Facility along with the <b>increased level of the funding for persistent organic pollutants within that replenishment;</b></p>	<p><i>GEF-4 replenishment is not discussed in the GEF report to COP-4</i></p>	<p><i>N/A - Not actionable guidance</i></p>
<p><i>Welcomes</i> the ongoing policy reforms within the Global Environment Facility and also <b>welcomes in particular the streamlining of its project cycle, its review of focal area strategies and priority setting and its increased emphasis on the sound management of chemicals;</b></p>	<p>The GEF report to COP-4 addresses all elements in this guidance:</p> <ol style="list-style-type: none"> <li>(1) The report highlights a new project cycle that was approved by the GEF Council in June 2007 that limits the time a proposal may take to move from concept approval to endorsement of the full project document to no more than 22 months. This reduced the number of steps in the project cycle. The report also notes ongoing efforts to limit documentation requirements at each step of the project cycle.</li> <li>(2) The report to COP-4 mentions reformulation of the POPs focal area strategy.</li> <li>(3) There is a section of the report devoted to “Support to Activities Relevant to Sound Management of Chemicals” that highlights the GEF-4 strategy to support activities that promote capacity-building in sound chemicals management.</li> </ol>	<p>In September 2007, the Council adopted the cross-cutting sound chemicals management framework strategy to promote integration of sound chemicals management practices into projects in other focal areas. In GEF-5, a <i>Strategy on Sound Chemicals Management for the 5th Replenishment Period of the GEF</i> was developed including linkages with GEF focal areas and a list of priority objectives for GEF support on sound chemicals management. Numerous POPs project approvals in GEF-5 have linkages to broader chemicals management, addressing issues such as mercury and electronic waste.</p>
<p><i>Invites</i> Governments, non-governmental organizations, industry and intergovernmental organizations to participate in the development of the <b>business plan for promoting a global partnership on the development and deployment of alternative products, methods and strategies to DDT for disease vector control</b> and encourages the Global Environment Facility, donors and other funding agencies to provide financial and other resources to support the creation and implementation of the business plan;</p>	<p>The GEF report to COP-4 contains a section on DDT: “At its April 2008 meeting the GEF Council adopted the Program Framework Document for <i>Demonstrating and Scaling-up of Sustainable Alternatives to DDT in Vector Management Global Programme</i> presented by UNEP in partnership with the World Health Organization (WHO). The note describes the coherence, scope, and overall objective behind a series of already approved, ongoing, or planned projects supported by UNEP and WHO addressing alternative approaches to DDT use in vector control for malaria and other vector-borne diseases. The objective of this suite of projects is to reduce the reliance on DDT without increasing the occurrence of vector-borne diseases, and to promote alternative vector control management practices and strengthen</p>	<p>In the GEF-4 Strategy, GEF support to projects addressing DDT alternatives was included as an expected outcome under Strategic Program 3. In the GEF-5 Strategy, DDT is identified as central threat and priority. Promoting alternatives to DDT for vector control is explicitly listed as an expected outcome. DDT is included in the Results Framework under Output 1.2.1.</p>

<p>Urges the Global Environment Facility to incorporate <b>best available techniques and best environmental practices and demonstration</b> as one of its priorities for providing financial support</p>	<p>capacities of countries to sustainably implement these.” The GEF responded specifically in its report to COP-4, noting that support to measures to promote and demonstrate BAT/BEP is included in GEF-4 strategy in Strategic Program #3. During the reporting period, five projects to promote and demonstrate BAT/BEP were supported. The GEF also responded to this in its report to COP-5, noting that during the reporting period, GEF support to BAT/BEP activities included three projects that specifically demonstrate and promote BAT/BEP for the reduction and releases of unintentional POPs.</p>	<p>This element was included in the GEF-4 Strategy through Strategic Program #3. Implementation and demonstration of BAT/BEP for release reduction of unintentionally produced POPs is also a core outcome in the GEF-5 Strategy. The GEF has funded BAT/BEP projects in GEF-4 and GEF-5.</p>
<p><i>Invites</i> the Global Environment Facility to <b>incorporate activities related to the global monitoring plan and capacity-building in developing countries, small island developing States and countries with economies in transition</b> as priorities for providing financial support;</p>	<p>The GEF report to COP-4 highlights that discussions were held with the Convention Secretariat and UNEP to determine how the GEF could best provide support to the Global Monitoring Plan. Within the reporting period, the GEF Secretariat processed four PIFs expeditiously to provide support to the Eastern and Southern African region, West Africa, Latin America and the Caribbean, and the Pacific Small Island Developing States.</p>	<p>The GEF-5 Strategy identifies capacity development activities in support of the effectiveness evaluation, including the Global Monitoring Plan, as integral to GEF supported activities. Capacity development specifically for LDCs and SIDS is noted in GEF-5 Strategy. The Global Monitoring Plan is also identified as a basis for the indicators of the Results Framework.</p>
<p><i>Decides</i> that the outcomes of the <b>periodic assessments of the funding necessary and available for the implementation of the convention</b> shall be an input of the Conference of the Parties to the negotiations on the replenishment of the Trust Fund of the Global Environment Facility;</p>	<p><i>N/A – Guidance is not directed at the GEF</i></p>	<p><i>N/A – Guidance is not directed at the GEF</i></p>
<p>Welcomes the Global Environment Facility’s <b>shift in emphasis from support for the preparation of national implementation plans to the implementation of those plans</b></p>	<p>The GEF report to COP-5 emphasizes the shift to implementation of NIPs. From November 1, 2008 to June 30, 2010, 20 Full-sized Projects and 15 Medium-sized Projects were approved. There were no requests for support to develop NIPs during this period.</p>	<p>GEF-5 Strategy emphasizes implementation of NIPs and focuses on four implementation-related outcomes: (a) Production and use of controlled POPs chemicals phased out; (b) Exempted POPs chemicals used in an environmentally sound manner; (c) POPs releases to the environment reduced; (d) POPs waste prevented, managed, and disposed of, and POPs contaminated sites managed in an environmentally sound manner.</p>
<p>Requests the Global Environment Facility to <b>continue to streamline its project cycle</b> so that persistent organic pollutant projects can be developed and implemented on a priority basis</p>	<p>The GEF report to COP-4 highlights a new project cycle that was approved by the GEF Council in June 2007 that limits the time a proposal may take to move from concept approval to endorsement of the full project document to no more than 22 months. This reduced the number of steps in the project cycle. The report also notes ongoing efforts to limit documentation</p>	<p><i>N/A – The project cycle is not addressed in GEF Focal Area Strategies.</i></p>

	requirements at each step of the project cycle.	
Welcomes the <b>co-financing analysis</b> of the Global Environment Facility in its report to the Conference of the Parties at its third meeting and <b>urges the Global Environment Facility to take into full consideration the different characteristics of projects when establishing its co-financing requirements</b>	An expanded analysis of co-financing using a larger number of projects was provided in the GEF reports to COP-4 and COP-5. <i>Co-financing requirements are not specifically addressed in the reports.</i>	The second review of the financial mechanism found that the GEF takes consideration of different characteristics of projects by expecting more co-financing for large investment projects.
Requests the Global Environment Facility, in its support for the delivery of technical assistance on a regional basis, to <b>give consideration to the proposals that may be developed by nominated Stockholm Convention centres</b> and to <b>prioritize such support to those centres situated in developing countries and countries with economies in transition</b> in accordance with paragraph 31 of the terms of reference for regional and subregional centres contained in the annex to decision SC-2/9 and paragraph 5 (e) of the annex to decision SC-3/12	<i>Not specifically addressed in GEF reports to the COP.</i>	<i>Not specifically addressed in GEF strategy documents.</i> The GEF does not support regional centers directly, but has supported projects with regional center involvement. The GEF Secretariat has encouraged countries and Agencies to utilize the regional centers for particular GEF projects and is currently exploring other ways to support the centers.
Requests the Global Environment Facility to give special consideration to support for those activities identified as priorities in national implementation plans which <b>promote capacity-building in sound chemicals management</b> , so as to <b>enhance synergies in the implementation of different multilateral environment agreements</b> and further strengthen the links between environment and development objectives	There is a section of the GEF report to COP-4 devoted to addressing this guidance, which highlights the GEF-4 strategy to support activities that promote capacity-building in sound chemicals management. The report notes that a priority in GEF-4 was assisting those countries that lag farthest behind to establish basic, foundational capacities for sound management of chemicals.	In September 2007, the Council adopted the cross-cutting sound chemicals management framework strategy to promote integration of sound chemicals management practices into projects in other focal areas. Sound management of chemicals is at the core of the overall GEF-5 Strategy. A 'Strategy on Sound Chemicals Management' was developed including linkages with GEF focal areas and a list of priority objectives for GEF support on sound chemicals management. Numerous POPs project approvals in GEF-5 have linkages to broader chemicals management, addressing issues such as mercury and electronic waste.
Also requests the Global Environment Facility to support, within its project activities, the capacity of developing countries and countries with economies in transition <b>to estimate the costs and funding needs of activities in their national implementation plans</b>	<i>Not specifically addressed in GEF reports to the COP.</i>	The GEF funded development of guidance that assists countries in estimation of costs and funding needs for specific POPs activities. More broadly, the GEF-5 POPs Strategy noted that "the GEF will continue to support eligible countries in meeting their obligations to develop, submit, and update a National Implementation Plan under the Stockholm Convention."
SC-4/27		

<p><i>Calls on</i> developed countries, in the context of the fifth replenishment of the Global Environment Facility, being aware of the funding needs assessment and in the light of the current and possible future listing of new persistent organic pollutants, to make all efforts to <b>make adequate financial resources available in accordance with their obligations under Article 13 of the Convention</b> to enable developing country Parties and Parties with economies in transition to fulfill their obligations under the Convention;</p>	<p>The GEF report to COP-5 noted that thirty-five donors pledged \$4.34 billion for the GEF-5 period (July 1, 2010, to June 30, 2014), of which \$425 million fell under the chemicals focal area. The report states that “contributing participants significantly increased their contributions, and total new donor funding for the GEF increased by 54 percent over GEF-4 level.”</p>	<p><i>N/A – Guidance is not directed at the GEF</i></p>
<p><i>Requests</i> the Global Environment Facility to ensure that the Bureau of the Conference of the Parties and the Convention Secretariat are <b>appropriately informed and consulted in a timely manner on any further developments with regard to the Resource Allocation Framework</b> that involve the persistent organic pollutant focal area;</p>	<p>The GEF report to COP-5 explained that “the GEF Council at its November 2009 meeting adopted a new System for Transparent Allocation of Resources (STAR) to replace the Resource Allocation Framework that was used during the fourth replenishment of the GEF. It was recognized that it was too early to include POPs within the STAR. The GEF Secretariat will continue to consult with the Stockholm Secretariat in carrying-out future STAR analysis and adjustment where it concerns POPs.”</p>	<p><i>N/A – POPs were not included in the Resource Allocation Framework.</i></p>
<p><i>Welcomes</i> the continuing <b>policy reforms within the Global Environment Facility as they relate to the streamlining of the project cycle</b> and urges the Global Environment Facility to continue such efforts.</p>	<p>The GEF report to COP-5 explains key reforms directed towards improving the effectiveness and efficiency of the partnership. One such improvement was the continued streamlining of the project cycle. Specifically, the project cycle was streamlined from three approval steps to two approval steps and the processing time for FSPs, from concept approval to CEO endorsement, was reduced from 44 months to an average of 16 months in GEF-4.</p>	<p><i>N/A – The project cycle is not addressed in GEF Focal Area Strategies.</i></p>
<p><i>SC-4/28</i></p>		
<p><i>Requests</i> the Global Environment Facility to provide the necessary financial and technical assistance to developing country Parties and Parties with economies in transition in accordance with Articles 13 and 14 of the Convention, especially least developed countries and small island developing States, to <b>help them to prepare or update their national implementation plans and to comply with the requirements of the Stockholm Convention</b>;</p>	<p>The GEF responded to this item in its report to COP-5: “As of June 2010 the GEF had funded the preparation of the initial NIP for the Stockholm Convention in 138 countries.” The report also discusses helping countries to update their NIPs to incorporate the recent listing of nine additional chemicals as persistent organic pollutants, stating that “the GEF will provide up to \$ US 250,000 per country, under expedited approval procedures.” The report further states that “The GEF Secretariat and the Agencies have taken steps to enhance access to GEF POPs resources for LDCs and SIDS through the project AFLDC: Capacity strengthening and technical assistance</p>	<p>The GEF-5 Strategy includes a provision for updating and reviewing NIPs: “The GEF will continue to support eligible countries in meeting their obligations to develop, submit, and update a National Implementation Plan under the Stockholm Convention.” Preparation or update of NIPs is included in Results Framework as outcome 4.1. The GEF has also funded the development of guidelines for reviewing and updating the NIP, whereby several guidance documents were developed to assist countries in accounting for the newly listed POPs in their implementation plans. In addition, there is an emphasis on capacity building</p>

	for the implementation of the Stockholm Convention in three subregions of Africa.”	in LDCs and SIDS in the GEF-5 strategy to help those Parties comply with requirements of the Stockholm Convention.
<i>Requests</i> the financial mechanism of the Stockholm Convention and invites other donors to provide sufficient <b>financial support for further step-by-step capacity enhancement, including through strategic partnerships, to sustain the new monitoring initiatives which provided data for the global monitoring report</b> prepared in connection with the evaluation of the effectiveness of the Convention	The GEF responded specifically to this item in its report to COP-5: “In response to the COP, reference to the Global Monitoring Plan (GMP) was made in the GEF-4 strategy for POPs and discussions were held with the Convention Secretariat and UNEP to ascertain how best the GEF could provide support to this effort through country driven and sustainable implementation activities in eligible countries, consistent with the GEF’s mandate. The GEF supported 4 sub-regional medium-sized projects to strengthen capacities in developing countries and countries with economies in transition and enhance their participation to the GMP for the Eastern and Southern African region, for West Africa, for Latin America and the Caribbean, and for the Pacific Small Island Developing States (SIDS). One additional project has been recently submitted by UNEP and will include monitoring of new POPs. This project is under review.”	The GEF-5 Strategy states that, “activities (including incremental capacity building for POPs monitoring and support to country-driven and sustainable activities consistent with the GEF’s mandate in support of the Global Monitoring Plan that underpins the effectiveness evaluation of the Convention) aimed at building institutional and legislative frameworks for chemicals management, including POPs, will be supported.”
<i>Requests</i> the entity or entities entrusted with the operations of the financial mechanism of the Convention, including the Global Environment Facility, when implementing the guidance to the financial mechanism adopted by the Conference in decision SC-1/9, to <b>take into account the priorities identified by Parties in their implementation plans</b> transmitted to the Conference of the Parties;	The GEF responded to this item in its report to COP-5: “The shift from NIP preparation to NIP implementation has been materialized through implementation and elaboration of a wide range of projects, based on priority activities identified in the countries’ NIPs.” The report documents that priorities in NIPs including PCBs, DDT, pesticides, integrated POPs management, POPs disposal, and BAT/BEP for unintentional production were addressed in GEF-4.	The GEF-5 Strategy states that “the GEF will further its efforts to assist eligible countries in implementing POPs reduction projects in accordance with their NIP priorities”. Throughout the strategy there is an emphasis on NIP priorities and acknowledgement that these vary on a country-by-country basis.
<i>Requests</i> the Global Environment Facility to provide, within its mandate, <b>financial support for country-driven activities of the global alliance for the development and deployment of products, methods and strategies as alternatives to DDT for disease vector control</b> and invites developed country Parties, funding agencies and other financial institutions to support the alliance;	The GEF responded specifically to this item in its report to COP-5: “At its April 2008 meeting the GEF Council adopted the Program Framework Document for Demonstrating and Scaling-up of Sustainable Alternatives to DDT in Vector Management Global Programme presented by UNEP in partnership with WHO[...]The objective of this suite of projects is to reduce the reliance on DDT without increasing the occurrence of vector-borne diseases, and to promote	In the GEF-5 Strategy, DDT is identified as central threat and priority. Promoting alternatives to DDT for vector control is explicitly listed as an expected outcome. DDT is included in the Results Framework under Output 1.2.1.

	alternative vector control management practices and strengthen capacities of countries to sustainably implement these. The GEF is funding regional projects in Africa, the Middle East and the Central Caucuses to demonstrate the effectiveness and applicability of alternatives to DDT.”	
<i>Requests</i> the financial mechanism of the Stockholm Convention, including its principal entity the Global Environment Facility, and invites other relevant international financial institutions and others from the donor community to provide the financial resources, within their mandates, necessary for Parties that are developing countries or countries with economies in transition, Stockholm Convention regional centres and other interested stakeholders to <b>carry out projects aimed at improving information exchange at the regional and national levels and to set up clearing-house mechanism nodes as described in the note by the Secretariat on the possible role of the clearing-house mechanism at the national and regional levels.</b>	<i>Not specifically addressed in GEF reports to the COP.</i>	<i>GEF support for setting up clearing-house mechanism nodes is not specifically addressed in GEF-5 strategy documents. The GEF-5 Strategy mentions information exchange as a priority, and identifies “access to information for government and local authorities, civil society, and the private sector” as an outcome. Specific mechanisms for information exchange are not discussed in the strategy.</i>
<i>SC-5/23</i>		
<i>Requests</i> the Secretariat to prepare consolidated guidance to the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants for consideration by the Conference of the Parties at its sixth meeting;	<i>N/A – Guidance is not directed at the GEF</i>	<i>N/A – Guidance is not directed at the GEF</i>
<i>Decides</i> to update the consolidated guidance every four years starting from the sixth meeting of the Conference of the Parties as an input of the Conference of the Parties to the negotiations on the replenishment of the Trust Fund of the Global Environment Facility;	<i>N/A – Guidance is not directed at the GEF</i>	<i>N/A – Guidance is not directed at the GEF</i>
<i>Requests</i> the financial mechanism of the Convention and invites Parties and observers and other financial institutions in a position to do so to provide financial support for <b>country-driven training and capacity-building activities related to activities of the polychlorinated biphenyls elimination network;</b>	<i>N/A – GEF report to COP-6 not yet submitted</i>	The GEF-5 Strategy includes the “number of countries with PCB management plans under development and implementation” as an outcome indicator. <i>The PCB elimination network is not specifically addressed in GEF-5 strategy documents. This guidance was issued after GEF-5 Strategy came into effect.</i>
<i>Also requests</i> the financial mechanism of the Convention to support activities in respect of the <b>newly listed chemicals</b> and invites other international financial institutions to do so;	<i>N/A – GEF report to COP-6 not yet submitted</i>	The GEF-5 Strategy discusses support of activities in respect of the newly listed chemicals, and resources have been programmed in GEF-5 to allow countries to update their NIPs to account for the newly listed chemicals. One of the outcome indicators in the GEF-5

		Strategy is the number of countries receiving GEF support to pilot “new POPs” reduction activities.
<i>Recognizes</i> that financial and technical support is required to facilitate the <b>replacement of the use of endosulfan in developing countries;</b>	<i>N/A –GEF report to COP-6 not yet submitted</i>	<i>Not specifically addressed in GEF-5 strategy documents. This guidance was issued after GEF-5 Strategy came into effect. However, the GEF has proactively encouraged Parties to include activities related to endosulfan when doing NIP updates.</i>
<i>Requests</i> the financial mechanism of the Convention to provide funding to Parties to enable them to implement <b>best available techniques and best environmental practices to support the reduction or elimination of unintentional releases of persistent organic pollutants;</b>	<i>N/A –GEF report to COP-6 not yet submitted</i>	The GEF-5 Strategy specifically addresses this element, stating that “investments supported by the GEF will address implementation of best available techniques and best environmental practices (BAT/BEP) for release reduction of unintentionally produced POPs, including from industrial sources and open-burning.”
<i>Also requests</i> the financial mechanism of the Convention and invites Parties and observers and other financial institutions in a position to do so to provide financial support to enable <b>regional centres</b> to implement their work plans;	<i>N/A –GEF report to COP-6 not yet submitted</i>	<i>Not specifically addressed in GEF-5 strategy documents. This guidance was issued after the GEF-5 Strategy came into effect, though similar guidance was issued at COP-3 that has not been addressed in GEF strategies.</i>
<i>Further requests</i> the financial mechanism of the Convention and invites other donors to provide financial support to permit further <b>step-by-step capacity enhancement, including through strategic partnerships, to enable the collection of data on all indicators stipulated in the effectiveness evaluation framework</b> set out in the annex to the note by the Secretariat on effectiveness evaluation;	<i>N/A –GEF report to COP-6 not yet submitted</i>	The GEF-5 Strategy specifically addresses this element, stating that “activities (including incremental capacity building for POPs monitoring and support to country-driven and sustainable activities consistent with the GEF’s mandate in support of the Global Monitoring Plan that underpins the effectiveness evaluation of the Convention) aimed at building institutional and legislative frameworks for chemicals management, including POPs, will be supported.”
<i>Also requests</i> the financial mechanism of the Convention, when providing financial support, to give <b>priority to countries that have not yet received funding for the implementation of activities</b> contained in their national implementation plans;	<i>N/A –GEF report to COP-6 not yet submitted</i>	Since this guidance was issued at COP-5, the GEF has funded implementation activities in twelve countries that had not yet received funding for implementation. The GEF also funded implementation activities in eight countries that have already received funding for implementation in prior projects.
<i>Encourages</i> the Global Environment Facility and Parties in a position to do so to provide funds necessary to <b>facilitate the technical assistance and technology transfer</b> to be provided to developing-country Parties and Parties with economies in transition	<i>N/A –GEF report to COP-6 not yet submitted</i>	<i>Not specifically addressed in GEF-5 strategy documents. This guidance was issued after the GEF-5 Strategy came into effect.</i>
<i>Requests</i> the financial mechanism of the Convention and invites Parties and observers and other financial institutions in a	<i>N/A –GEF report to COP-6 not yet submitted</i>	In the GEF-5 Strategy, DDT is identified as central threat and priority. Promoting alternatives to DDT for

position to do so to provide financial support to the <b>development and deployment of products, methods and strategies as alternatives to DDT.</b>		vector control is explicitly listed as an expected outcome. DDT is included in the Results Framework under Output 1.2.1.
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## Appendix E: Full Compilation of Lessons Learned

A compilation of lessons learned that were identified during this review period (November 2008 through July 2012) can be found below. Lessons learned were identified the following categories: capacity building and NIP development, implementation projects, and effectiveness of the financial mechanism.

### Lessons Learned on Capacity Building and NIP Development:

- Policy changes, including development of new regulations and/or establishment of a dedicated office for implementation of chemicals management activities, are critical steps for ensuring the success of GEF POPs projects in recipient countries.
- The first round of enabling activities/NIP projects provided a valuable platform for bringing together the relevant ministries, national agencies, and other stakeholders for enhancing understanding of the POPs question and its global context, along with the need for action at the country level.
- The involvement of developing countries in the implementation of the Stockholm Convention is a long-term process. Some Parties, in particular LDCs and SIDS, need sustained help for effective chemicals management.
- Increasing public and industry awareness can help to ensure the continued success of POPs projects and chemicals management.
- When capacity building projects included trainings, sometimes those participating in trainings were not the same individuals that would actually use the new skills (i.e., those individuals were not directly involved in development of the NIP or implementation of the activity). This has undermined the effectiveness of the training.
- Stockholm Convention guidance documents to help developing countries comply with Convention obligations that require new knowledge, skills and capacities (i.e., guidance on NIP updates to address new POPs) were sometimes distributed after enabling grants had been provided to countries, limiting the ability for all countries to utilize that guidance.
- Some stakeholders expressed that in retrospect, while NIPs were a very important tool, providing a set amount of funding to all countries regardless of size or need was not the best way to allocate funds. In addition, the lack of a standardized template or methodology for NIPs has resulted in a variety of priorities and cost estimates that are difficult to compare across countries.
- In some countries, the NIP process took a long time to finalize due to insufficient human resources, changes in government structure systems, inefficient bureaucratic procedures, and long approval procedures in governments. In many countries, inter-ministerial coordination was something new, leading to a NIP approach managed by a single entity in the country, which resulted in a NIP document that was not fully accepted or even considered in the national plan.
- Challenges encountered during the NIP development process include: weak technical capacities; insufficient human resource capacities and infrastructure for chemicals management in least developing countries; and the absence of regulatory and policy frameworks for management of POPs. In large populated countries with decentralized government systems the main challenges are: absence of information on historically contaminated sites; difficulty of conducting inventories due to fragmented responsibilities; and weak consultation/slow agreement on approaches and plans. In large countries with centralized government systems the main challenges are: weak communication; lack of engagement of the far regions; and heavy bureaucratic procedures.

### Lessons Learned on Implementation Projects:

- Broad stakeholder engagement in implementation projects fosters problem ownership, accountability, information sharing, future cooperation and sustainability of results achieved.
- Proper and regular monitoring of projects gives the opportunity to adjust activities in a timely manner so that project outputs may be accomplished.
- Demonstration of new and alternative approaches to chemicals management has been possible with GEF support.

- While there has been a push toward multi-focal area projects under the GEF, synergistic projects have greater complexities and require coordination among broader stakeholder groups in project development and implementation. Countries sometimes have issues with inter-ministerial coordination, which can be improved by clearly defining the roles of different ministries at the project design stage, establishing steering committees, and developing a project implementation manual to facilitate smooth implementation for a multi-focal area project.
- Specific implementation challenges related to POPs include: substantial variations of costs for transport and disposal of POPs wastes; limited capacity of local companies to handle POPs wastes; issues related to permitting and siting of hazardous wastes disposal facilities; as well as challenges related to the management of contaminated sites.
- Unintentional POPs emissions are among the least understood areas for Stockholm Convention implementation, and significant capacity building and awareness-raising is needed in this area.
- Technology development reduces the price of proper waste disposal. This approach has proven more sustainable than subsidizing waste disposal costs.
- POPs is still a new field; limited background analysis and studies exist, and data collected for NIPs was sometimes of poor quality. When agencies perform a detailed assessment of issues during project implementation, they have often discovered that the POPs problems in a country are worse than was originally identified through the NIP process. Inventories may increase beyond original estimates.

#### Lessons Learned on Effectiveness:

- Projects that have the most potential for success were usually developed from the national development context to address an issue at the sector level.
- Project proposals that fit into the priorities of the country government, private sector, and the GEF Agencies have been of high quality and have been successful in implementation.
- A number of evaluations looking at POPs impacts, including several GEF CPEs, have determined that it is too early to draw conclusions about the POPs portfolio. Of evaluations that have determined there is sufficient information to draw conclusions on POPs, those evaluations highlight successful results and have found GEF projects to be catalytic.
  - The Moldova CPE found that GEF support has been of strategic importance in Moldova, strengthening country capacity on POPs and raising public awareness. Quantitative targets set for Moldova's full-sized project funded by the GEF were either achieved or surpassed. Further, experience gained through Moldova's full-sized project helped the country to prepare subsequent projects that were financed by donors other than the GEF.
  - The Nicaragua CPE found that GEF support on POPs has put a good enabling environment in place for the management of POPs at the national level.
  - The Turkey CPE concluded that the GEF enabling project in Turkey has been catalytic for Turkish action on POPs – capacity was developed for monitoring POPs, stakeholders were brought together to coordinate on POPs, and regulations were put in place due to GEF support.
- There is still very little knowledge about which POPs issues are of greatest importance globally, or which funding priorities would be most strategic to address. Global statistics on POPs are lacking. As a result, there is no strategic plan for POPs that details which projects would be most effective for global POPs phase-out. Improved data would help to ensure the financial mechanism is focusing on the correct projects and goals.