

SOUND CHEMICALS MANAGEMENT FRAMEWORK STRATEGY AND STRATEGIC PROGRAMMING FOR GEF-4

I. INTRODUCTION

1. This brochure presents the framework strategy for sound chemicals management for GEF-4 (2007 – 2010), approved by the GEF Council in September 2007.
2. At the replenishment of the GEF Trust Fund in 2006, the GEF Council requested the GEF Secretariat to review and revise as necessary the strategies for the six focal areas of the GEF, taking into account issues such as sustainable forest management and sound chemicals management.¹
3. In December 2006, the CEO presented to the Council a plan to increase the efficiency and impact of the GEF. A central element of this reform package is to move away from the previous single project interventions towards a more programmatic focus for the GEF. The purpose is two-fold: a) to focus the limited funding resources of GEF-4 on a set of priority issues of global environmental concern; and b) to link projects together to achieve stronger impacts.
4. The strategy for sound chemicals management presented here is the result of a consultative process involving external advisory groups and contributions from the GEF Council Members, Convention secretariats, GEF agencies, the Scientific and Technical Advisory Panel (STAP) and other GEF partners².
5. The GEF's goal in supporting sound chemicals management across its focal areas is to contribute to the implementation of Agenda 21 and the Johannesburg Plan of Implementation (JPOI), through activities that promote the sound management of chemicals and bring global environmental benefits in the GEF focal areas, in order to protect human health and the environment.
6. As a step towards a more programmatic approach, strategic programs have been developed in support of the long term objectives. These strategic programs define the GEF's focus during GEF-4. The strategic programs have been selected and defined in view of their importance, urgency and cost-effectiveness from a global environment perspective. Priorities identified by countries, as well as overall guidance from the multilateral environmental agreements and conventions have also been taken into consideration. The strategic programs provide an intermediate link between the project level and the long term objectives of the GEF within the focal areas.

¹ GEF/R.4/32, Policy recommendations for the Fourth Replenishment of the GEF Trust Fund.

² Working documents and comments received from GEF partners are accessible at the GEF website www.thegef.org under GEF policies.

7. The long term objectives and strategic programs that are redefined for every replenishment period replace the previous structure of operational programs and strategic priorities. The new structure, summarized for the sound chemicals management cross-cutting area in the table below, balances continuity and flexibility and supports the emphasis on results.

Table 1: Long term objectives and strategic programs for sound chemicals management in GEF-4

Long-term Objectives	Strategic Programs for GEF-4
<p>1: To promote sound management of chemicals for the protection of human health and the global environment</p>	<p>1. Integrating sound chemicals management in GEF projects 2. Articulating the chemicals related interventions supported by the GEF within countries' frameworks for chemicals management</p>

8. The strategy is aligned with the Results Based Management (RBM) Framework for the GEF, in order to direct the strategies towards tangible global environmental benefits and to enable adequate reporting on the implementation of the strategies. Long-term expected *impacts* on the global environment are assigned to each of the objectives, and intermediate expected *outcomes* are assigned to each of the strategic programs. The projects are thus expected to support the achievement of the impacts and outcomes identified at the programmatic level.

9. Provisional indicators have been identified for each expected impact and for each expected outcome. These indicators will allow a systematic monitoring of the actual achievement of the expected impacts and outcomes. The indicators will be further developed in connection with the Results Based Management for the GEF.

10. The strategy for sound chemicals management presented here seeks to guide project proponents in countries and in GEF agencies and other GEF partners in preparing and reviewing project proposals for GEF-4. The GEF Secretariat will initiate the development of long term objectives and strategic programs for GEF-5 in 2008 with a view to presenting proposed strategic programming for GEF-5 to the GEF Council at its first meeting in 2009.

II. BACKGROUND

2. The realization of the risks to human health and the environment posed by the unsafe production and use of chemicals has led nations to indicate their support for sound chemicals management globally, as expressed via various regional and international agreements on chemicals. These include: the Stockholm Convention and the Montreal Protocol (for both of which the GEF is a financial mechanism), as well as the Basel Convention, the Rotterdam Convention, the Strategic Approach to International Chemicals Management, the Kyoto Protocol, a variety of marine conventions focused on protection of the environment from toxic and hazardous wastes, and the International Labour Organization (ILO) chemicals conventions pertaining to worker safety.

3. In response, the GEF Assembly in 2002 adopted persistent organic pollutants (POPs) as a new focal area to facilitate the implementation of the Stockholm Convention, and amended the GEF Instrument (Article 1, Paragraph 3) to provide that “the agreed incremental costs of activities to achieve global environmental benefits concerning chemicals management as they relate to the other GEF focal areas shall be eligible for funding.”

III. STRATEGIC OBJECTIVE

4. The strategic objective of the GEF in addressing the cross-cutting issue of sound chemicals management is to promote sound management of chemicals practices in all relevant aspects of GEF programs, for the protection of human health and the global environment, and to contribute to the overall objective of the Strategic Approach to International Chemicals Management (SAICM) of achieving the sound management of chemicals throughout their life-cycle so that by 2020 chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment (see Table 1). This strategic objective is pursued through two strategic programs as described below³.

Table 1: GEF Strategic Objective in the Cross-cutting Issue of sound chemicals management

Strategic Objective	Expected impact	Indicator
To promote sound management of chemicals for the protection of human health and the global environment	Sound management of chemicals principles and practices are reflected in the development and implementation of projects in all GEF focal areas	Percentage of GEF projects that promote sound chemicals management practices Increased financial support to chemicals-related projects

³ This paper was drafted taking into account the current mandate for chemicals-related activities in the GEF, and relevant past Council discussions. Therefore, the paper – in attempting to operationalize the revised paragraph 3 of the GEF Instrument – offers a limited interpretation of “activities to achieve global environmental benefits concerning chemicals management as they relate to the...focal areas.” The chemicals management activities that are addressed in this paper are those that are directly related to the achievement of global environmental benefits in a particular project in one of the six focal areas. An alternative approach that was discussed by the Technical Advisory Group (TAG) would have allowed support to sound chemicals management activities directly and for themselves where they are deemed to bring global environmental benefits in the focal areas in the long run. The TAG discussed proposing a program that would support, on a pilot basis, sound chemicals management projects that generate global environmental benefits. Such a program could have a dedicated, yet limited, budgetary envelope and be independently evaluated. It could help GEF agencies, project proponents, and other stakeholders gain experience in the design and implementation of sound chemicals management projects that bring global environmental benefits. The program could also provide “seed funding” to develop and facilitate “chemicals proofing” as defined further in this paper. Activities supported could include projects to address: mercury use in products; the implementation of the globally harmonized system (GHS) of classification and labelling of chemicals; or the development of pollutant release and transfer registers (PRTRs).

	Enhanced synergies in the implementation of chemicals and waste-related international agreements, in particular the implementation of SAICM	Number of GEF projects that contribute to the implementation of more than one chemicals-related convention or international agreement
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IV. STRATEGIC FOCUS IN GEF-4

5. Until now, opportunities to support sound chemicals management in the GEF focal areas, even when they were taken advantage of, were most often not apparent in project documentation or reporting. During GEF-4, the GEF will support improved management of chemicals, taking into account their whole life-cycle, as a cross-cutting issue that deserves global attention. Chemicals are now produced throughout the world and may be spread globally through international trade and through emissions to the atmosphere and the oceans. In addition, chemicals may aggravate global environmental concerns, such as biodiversity, land degradation, climate change, and freshwater scarcity. In supporting improved environmental management of chemicals as a cross-cutting issue, the GEF will contribute to supporting countries in their implementation of the above-mentioned agreements.

6. Experience gained in implementing this strategy will benefit the GEF (Council, agencies, Secretariat), partner countries, and other stakeholders by exploring and clarifying the avenues available for supporting sound chemicals management in the GEF. This experience will be assessed and will allow the further development of the strategy to support chemicals management activities during GEF-5 and beyond. Such an assessment will include the extent to which implementation of this strategy has resulted in increased financial support to chemicals-related projects, the number of GEF projects that support implementation of the SAICM, and the number of GEF projects that contribute to the implementation of more than one chemicals-related convention or international agreement.

V. STRATEGIC PROGRAMS IN GEF-4

7. Two strategic programs are proposed for implementation under GEF-4, and are described below and in Table 2. These strategic programs do not have budgetary allocations since, consistent with Paragraph 3 of the GEF Instrument referred to above, the GEF incremental costs of the proposed activities are to be covered through the focal areas where the global benefits accrue.

Strategic Program 1: Integrating Sound Chemicals Management in GEF Projects

8. *Objective:* sound chemicals management practices are integrated in the projects in the focal areas of biodiversity, climate change, international waters (IW), and land degradation.

9. *Outcomes:*

- (a) Activities already incorporated in project design that are of a chemicals management nature or that bring co-benefits are identified and can be reported on
- (b) Chemicals management activities are promoted that were not planned initially but that should take place unless the project's ability to deliver global environmental benefits is compromised
- (c) Possible negative impacts of a GEF intervention from a chemicals standpoint are identified and avoided, if possible, or mitigated
- (d) Opportunities to generate additional benefits are identified that can be pursued for financing from the GEF or from co-financing sources, as appropriate
- (e) GEF is in a position to report on its contribution to sound chemicals management and to inform policy discussions internationally

10. *Indicators:*

- (a) Percentage of projects with enhanced reporting or modification of design, following chemicals proofing
- (b) Reports are available at the end of the replenishment period to the GEF Council and other stakeholders, including the International Conference on Chemicals Management, on the GEF's contribution to sound chemicals management in recipient countries

11. *Scope:* This program addresses many but not all projects in all focal areas. The program will be operationalized through a "chemicals proofing" exercise whereby those projects that are of a type where the integration of sound chemicals management practices would appear most relevant will be assessed during project preparation and appraisal to establish whether appropriate sound chemicals management practices are actually being adopted. Chemicals proofing will be conducted with a view to covering the various facets described below.

12. The challenge will be first to identify what types of projects are the most likely candidates for this effort, and what good practices should be promoted in which sectors, and then to raise awareness about these opportunities with project proponents in GEF-eligible countries and GEF agencies. This will be facilitated through the conduct and dissemination of case studies and the development of guidelines for specific types of projects/sectors in the different focal areas, in order to target those projects with the strongest prospect for co-benefits (e.g., industrial energy efficiency projects in climate change, agroforestry projects in biodiversity, or sustainable land management projects).

13. In addition, relevant project proposals and relevant project completion reports will highlight the specific contributions that are being made to sound chemicals management so that these can be reported on and shared, and that good practices can be promoted in

future projects. This will be facilitated by the chemicals proofing exercise described above.

14. The implementation of this program has a number of facets:
 - (a) Activities already incorporated in project design: for example, promotion of integrated pest management in sustainable land management projects that would take place anyway, but would go unreported.
 - (b) Highlighting chemicals management-related activities that need to take place: for example, evaluating the releases of contaminants to protected areas, particularly, but not limited to, marine protected areas.
 - (c) Highlighting and avoiding, if possible, or mitigating potential negative impacts of a GEF project: for example, an IW project seeking to phase-out a particular use for a persistent toxic substance should ensure that it is substituted by less harmful chemicals, particularly in small and medium enterprises.
 - (d) Opportunities for additional benefits can be identified: for example, refrigerants in building energy efficiency programs, pursuing the phase-out of leaded gasoline in sustainable transport programs, or reducing mercury releases through measures to reduce greenhouse gas emissions from coal combustion.

Strategic Program 2: Articulating the Chemicals-related Interventions Supported by the GEF Within Countries' Frameworks for Chemicals Management

15. *Objective:* GEF interventions to support POPs elimination, ozone-depleting substances (ODS) phase-out, and persistent toxic substances (PTS) management are sustainable because they build upon and strengthen the general capacity of recipient countries for SCM.
16. *Outcome:* GEF capacity development interventions to support POPs elimination, ODS phase-out, and PTS management build upon and strengthen the general capacity of recipient countries for SCM.
17. *Indicator:* Percentage of capacity development projects in the POPs, ODS, and IW focal areas that also contribute to SCM more generally.
18. *Scope:* Activities⁴ should be designed to build capacity that can be cross-cutting, or have synergies with management of other toxic and hazardous chemicals, including development of policy and legislative frameworks, inventory development, and environmentally sound management of wastes. The POPs and ozone depletion focal areas strategies describe how capacity development interventions will be nested within a country's framework for SCM, and how those countries that lag the farthest behind will also be assisted in establishing basic foundational capacities for the sound chemicals management as their capacities are developed to implement the Stockholm Convention or Montreal protocol. In the IW focal area, a strong contribution is provided through the many projects that address land-based sources of pollution, and particularly PTS.

⁴ For example, a large number of developing countries do not have adequate legislation for industrial chemicals. A project aimed at developing legislation consistent with the Stockholm Convention and the POPs focal area would be designed to also address other toxic and hazardous chemicals in a comprehensive legislative framework. (See GEF information paper to SAICM PrepCom. 2 meeting, also submitted for information to Stockholm COP-1.)

Table 2: Strategic Programs to Address the Cross-cutting Issue of sound chemicals management under GEF-4

Strategic Programs	Expected outcomes	Indicators
<p>1. Integrating sound chemicals management in GEF projects*</p>	<ul style="list-style-type: none"> • Activities already incorporated into project design that are of a chemicals management nature, or that bring co-benefits, are identified and can be reported upon • Chemicals management activities are promoted which were not planned initially but that should take place unless the project's ability to deliver global environmental benefits is compromised • Possible negative impacts of a GEF intervention from a chemicals standpoint are identified and mitigated • Opportunities to generate additional benefits are identified that can be pursued for financing from the GEF or from co-financing sources as appropriate • GEF is in a position to report on its contribution to sound chemicals management and to inform policy discussions internationally 	<ul style="list-style-type: none"> • Percentage of projects with enhanced reporting or modification of design, following chemicals proofing • Reports are available to the GEF Council and other stakeholders, including the International Conference on Chemicals Management
<p>2. Articulating the chemicals-related interventions supported by the GEF within countries' frameworks for chemicals management</p>	<ul style="list-style-type: none"> • GEF capacity development interventions to support POPs elimination, ODS phase-out, and PTS management build upon and strengthen the general capacity of recipient countries for sound chemicals management 	<ul style="list-style-type: none"> • Percentage of capacity development projects in the POPs, ODS, and IW focal areas that also contribute to sound chemicals management more generally

* Applies to many but not all projects in the focal areas. Case studies will be conducted to develop guidelines to target those projects with the strongest prospect for co-benefits.

VI. INTERLINKAGES WITH OTHER FOCAL AREAS

19. The following highlights some opportunities to integrate the sound management of chemicals into each of the GEF focal areas.

20. Along with greater emphasis in the biodiversity focal area on mainstreaming biodiversity in production landscapes and seascapes (Strategic Objective Two) come greater opportunities for promoting SCM. One component of the GEF's biodiversity strategy during GEF-4 is to promote the mainstreaming of biodiversity considerations in three priority sectors: agriculture, fisheries, and forestry. By way of example, agro-forestry projects addressing mainstreaming of biodiversity are concerned with reducing the inputs of chemicals in the systems that they seek to protect. For example, projects dealing with shade-grown coffee or cocoa promote integrated pest management (IPM) and forbid the use of prohibited chemicals. Forest certification schemes can prohibit the use of the most toxic, persistent, and bio-accumulative chemicals.

21. The relationship of the climate change focal area to the cross-cutting issue of chemicals management is multi-faceted. First, there are the incidental health and environmental benefits resulting from GEF interventions – such as, energy efficiency, renewable energy, or sustainable transportation – that displace or reduce the combustion of fossil fuels. These incidental benefits may stem from significant reductions in mercury, SO₂, NO_x, polycyclic aromatic hydrocarbons, and other compounds that would otherwise have been emitted. Second, a number of energy efficiency interventions address sectors that potentially release relatively large amounts of chemicals into the environment (e.g., steel, chemicals manufacturing, cement, pulp and paper, and textiles). Not only are these GEF-supported interventions designed to increase energy efficiency in these sectors, they also typically feature a cleaner production approach that leads to reducing inputs including water, and reducing releases of toxic chemicals in emissions and effluents. Finally, there will be cases where there might be trade-offs between reducing greenhouse gas emissions and releases of chemicals in the environment. These trade-offs will be considered and assessed as part of project preparation. For example, in deciding whether or not to support biofuels, the GEF will take into account the risks of environmental degradation resulting from possible increased use of agrochemicals.

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

23. In the IW focal area, a number of past and planned interventions are directly concerned with chemicals management activities, or with the consequences of chemicals mismanagement, consistent with the guidance in the GEF Operational Strategy. In the context of reducing land-based sources of pollution, GEF projects target specific sites of generation or sectors, such as pesticides misuse in tropical agriculture, toxic contaminants

from mining, or industrial pollution discharges. Projects that address PTS beyond the twelve POPs initially addressed by the Stockholm Convention have been supported, particularly to address mercury pollution.

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

25. The POPs and the ODS focal areas support chemicals management, although restricted to specific subsets of chemicals. The challenge is not to build “silos” but to build upon and expand the capacities existing in recipient countries. In the POPs focal area in particular, GEF interventions will be nested within the framework of a country’s capacity for SCM. Proposals to implement the Stockholm Convention can be expected in many countries to include and build on foundational capacities aimed at completing the basic governance framework (e.g., policy, law, and institutional capabilities) for chemicals within the country. This will be especially important for countries that lag farthest behind at putting in place the constituent elements of a governance framework for chemicals, including the Stockholm Convention, and is expected to concern mostly least developed countries (LDCs) and small island developing states (SIDS).