



GEF/C.68/07
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Virtual Meeting

Agenda Item 8

Management Response to:

**Evaluation of GEF Interventions in the Chemicals and Waste Focal Area
GEF-5 to GEF-8**

Recommended Council Decision

The Council, having considered document GEF/E/C.68/01 *Evaluation of GEF Interventions in the Chemicals and Waste Focal Area GEF-5 to GEF-8*, and GEF/C.68/07, the Management Response, takes note of the related evaluation recommendations and endorses the management response to address them.

INTRODUCTION

1. The GEF Secretariat welcomes the Independent Evaluation Office's (IEO) report, "Evaluation of GEF Interventions in the Chemicals and Waste Focal Area, GEF-5 to GEF-8," (GEF/E/C.68/01).
2. As noted in the Evaluation, chemicals play a crucial role in modern life, supporting various sectors that are vital for global well-being, such as agriculture, healthcare, and manufacturing. However, the production, use, and disposal of chemicals must be carefully managed to prevent pollution and hazardous waste that can harm human health and the environment.
3. The GEF Secretariat welcomes the observations in the Evaluation that the global chemical industry has experienced significant growth in recent decades, with sales increasing by 260% between 2002 and 2022. As highlighted, this growth, while contributing to economic development, has also resulted in increased pollution, impacting air quality, water resources, and soil health, and posing risks to both human health and biodiversity. Additionally, the chemical industry is a major consumer of energy and a significant contributor to carbon dioxide emissions, raising further environmental concerns. Despite international agreements like the Stockholm and Minamata Conventions, which aim to phase out harmful chemicals, the Evaluation notes that ongoing vigilance is required to ensure the safe management of chemicals throughout their lifecycle.
4. The GEF Secretariat appreciates the Evaluation's findings that, in response to these challenges, the GEF has made substantial investments in projects addressing the safe management and disposal of chemicals and waste. These projects, totaling \$1.8 billion in grant funding and \$12 billion in co-financing to date, focus on creating an enabling environment for the sound management of chemicals, preventing the accumulation of hazardous chemicals and waste, and eliminating existing risks.
5. The GEF Secretariat values that the Evaluation examined the GEF's role in helping countries manage chemicals and waste safely and responsibly. The GEF Secretariat is encouraged by the evaluation's findings that the GEF has been instrumental in reducing the use and improper disposal of hazardous chemicals, with particularly strong results in projects focused on eliminating stockpiles of harmful chemicals like PCBs and certain pesticides, and in initiatives aimed at phasing out mercury-added products.
6. It is notable that the Evaluation also highlighted the importance of the GEF's shift towards a more holistic, sector-wide approach in its projects, recognizing that chemicals are used across various stages of production and that managing them effectively requires a broader perspective. This approach has proven to be particularly valuable in sectors like textiles and food packaging, where chemicals are integrated throughout the supply chain.
7. The GEF Secretariat takes note of the emphasis of the Evaluation on the crucial role of technological innovation in promoting the sound management of chemicals and waste, and

that the long-term success of these innovations depends on their alignment with local capacities for operation and maintenance. As the Evaluation points out, the effective integration of technological innovation, while considering local capacities, is also crucial for long-term sustainability.

8. The GEF Secretariat highly values the Evaluation's findings that the GEF has played a crucial role in supporting countries to meet their commitments under international environmental agreements, and has achieved considerable success in reducing the prevalence of hazardous chemicals and waste. As noted by the Evaluation, the shift towards integrated, sector-wide approaches in GEF projects marks a significant advancement in chemical and waste management.

RECOMMENDATIONS

Recommendation (a): Strengthen the focus on policy and regulatory reforms, awareness, and communication within Chemicals and Waste projects and programs. The GEF should strengthen its focus on comprehensive policy and regulatory reforms, alongside heightened public awareness and communication efforts. Effective reforms require robust regulatory frameworks, supported by widespread public education campaigns to drive behavioral change, and enhanced enforcement mechanisms to ensure compliance.

9. The GEF Secretariat agrees with this recommendation.
10. Several ongoing and upcoming GEF programs and projects are already incorporating these elements into their designs, reflecting the focal area's focus on achieving "zero waste" and pollution-free solutions through the advancement of a circular economy.
11. To further enhance this focus, the GEF will continue to work with countries and implementing agencies to ensure the widespread adoption of these practices in GEF-9 and beyond. This will involve clear articulation of these principles in the GEF-9 programming directions.
12. The GEF Secretariat anticipates that these efforts will be fully integrated into project design and implementation by the end of GEF-9.

Recommendation (b): Strengthen regulatory frameworks and further engagement with the broader private sector, including SMEs, to enhance project sustainability in chemicals and waste-related projects and programs. Regulatory reforms and compliance with international standards play a crucial role in encouraging private sector participation in chemicals projects. The GEF should assist with reforms including formalizing the informal sector, enforcing anti-pollution laws, and legislating extended producer responsibility. In addition to strengthening regulatory frameworks, the GEF should continue to ensure the financial viability and technical capacity of small and medium enterprises through investments in advanced technologies and other forms of capacity building support.

13. The GEF Secretariat agrees with this recommendation.
14. The GEF Secretariat appreciates the IEO's insights regarding the importance of regulatory frameworks and private sector engagement in promoting sustainable practices in the chemicals and waste sector.
15. The GEF Secretariat also appreciates the potential benefits of extended producer responsibility (EPR) legislation. We understand that the application of such legislation may not be universally feasible, given factors such as a country's role in global supply chains, its regulatory capacity, and the specific characteristics of its industrial sectors, which can influence the suitability and effectiveness of EPR legislation.
16. The GEF is committed to supporting countries in formalizing informal sectors, enforcing anti-pollution laws, and implementing EPR legislation where appropriate. Several ongoing GEF projects are already working to integrate informal workers into the formal economy, particularly in sectors such as artisanal and small-scale gold mining, agriculture, and electronics. These projects also focus on ensuring that new production practices align with international standards and best practices, facilitating connections to global supply chains through private sector engagement.
17. In addition, the GEF will continue to support the financial viability and technical capacity of small and medium enterprises (SMEs) through investments in advanced technologies and capacity-building support. Addressing barriers such as high costs and limited access to technology will enable SMEs to improve their chemical management practices and adopt more sustainable production processes.
18. To ensure the effective implementation of these initiatives, the GEF will integrate the IEO's recommendations into its ongoing and future projects and programs in the chemicals and waste focal area. This will include incorporating the recommendations into the programming directions for GEF-9.

Recommendation (c): The GEF needs to ensure that investments in autoclaves, laboratory equipment, and other machinery for chemicals and waste management, associated with indigenous or imported technologies, are fully utilized. Local capacity must be addressed to ensure that technical skills of personnel are locally available thereby minimizing the risk of underutilization. To ensure sustainability, it is essential to ensure personnel receive adequate training, spare parts are readily accessible, and sufficient budgets are allocated for ongoing operation and maintenance.

19. The GEF Secretariat agrees with this recommendation.
20. The successful implementation of these technologies hinges on several factors, including their suitability for the local context, stakeholder commitment, and the availability of necessary resources. The GEF has been actively incorporating these considerations into its project design, with a focus on identifying and promoting locally developed technologies that are appropriate for the specific geographic and environmental conditions.

21. The GEF is committed to strengthening its project design to ensure the long-term operation and maintenance of these technologies. This includes providing comprehensive training programs, ensuring the accessibility of spare parts, and allocating sufficient budgets for ongoing operation and maintenance.
22. To further enhance these efforts, the GEF will incorporate this recommendation in the GEF-9 programming directions. This will ensure that future projects prioritize the effective implementation and long-term sustainability of new technologies, contributing to the overall success and impact of the GEF's interventions in the chemicals and waste focal area.

Recommendation (d): Integrate health co-benefit indicators into project designs and the design and monitoring frameworks. The GEF should, where relevant, incorporate health co-benefit indicators into project design and monitoring frameworks to better capture the impacts of its interventions. By adopting quantifiable indicators, these co-benefits can be effectively measured and tracked across projects. Greater emphasis on these indicators during project design will ensure that they are clearly defined within the project description, results framework, and theory of change, thereby enhancing the GEF's ability to demonstrate both environmental and health-related outcomes.

23. The GEF Secretariat agrees with this recommendation.
24. This recommendation aligns with the founding principles of the multilateral environmental agreements that comprise the chemicals and waste focal area, which aim to prevent adverse health impacts on humans and the environment.
25. To better capture the positive impacts of its projects on human health, the GEF will assess relevant health-related indicators during the GEF-9 replenishment, and subsequently incorporate health-related indicators into its project design and monitoring frameworks, as appropriate, with relevant consultations and trainings. This will enhance the GEF's ability to demonstrate the broader impacts of its interventions, showcasing not only the environmental benefits but also the positive effects on human health.

CONCLUSION

26. The IEO's evaluation of the chemicals and waste focal area has provided valuable insights into the GEF's performance in this critical sector. The evaluation has highlighted the significant contributions of the GEF in supporting countries to manage chemicals and waste in a sustainable manner, particularly through the disposal of legacy chemicals, the phaseout of mercury-containing products, and the promotion of sustainable practices.
27. The transition to integrated, sector-wide approaches in GEF projects represents a significant advancement in addressing the complex challenges of chemical and waste management. This approach has proven to be particularly effective in sectors like textiles, agriculture, artisanal and small-scale gold mining, electronics and food packaging, where chemicals are embedded throughout the supply chain.

28. The GEF is committed to continuous improvement and will actively address the IEO's recommendations to further enhance its effectiveness in the chemicals and waste focal area. This includes strengthening policy and regulatory frameworks, deepening engagement with the private sector, ensuring the full utilization of new technologies, and prioritizing health co-benefits in project design.
29. The GEF will also prioritize the effective integration of technological innovation, while considering local capacities, to ensure long-term sustainability. The GEF's commitment to these recommendations will not only enhance the effectiveness of its interventions in the chemicals and waste focal area but also contribute to achieving global environmental benefits.
30. The GEF Secretariat will track progress on the implementation of these recommendations through the standard procedure of the IEO's Management Action Record.