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**United Nations Environment Programme**

**Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants**
**Third meeting**
Dakar, 30 April–4 May 2007
Item 5 (h) of the provisional agenda*

**Matters for consideration or action by the Conference of the Parties: financial resources**

# Compilation of submissions received by the Secretariat regarding information needed for the preliminary assessment of the funding needs of Parties which are developing countries or countries with economies in transition to implement the provisions of the Convention over the period 2006–2010**

## Note by the Secretariat

1. By paragraph 3 of its decision SC-2/12, adopted at its second meeting, the Conference of the Parties to the Stockholm Convention invited Parties, other Governments, the principal entity of the financial mechanism, other financial institutions, intergovernmental organizations, non-governmental organizations, including the private sector, and secretariats of other multilateral environmental agreements to provide to the Secretariat by 31 December 2006 the information needed for the preliminary assessment of the funding needs of developing country Parties and Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010.

2. In response to that invitation the Secretariat received submissions from Burundi, China and the Global Environmental Facility, in its capacity as the principal entity of the financial mechanism. These submissions have been reproduced in the annex to the present note without formal editing.

* UNEP/POPS/COP.3/1.

** Stockholm Convention on Persistent Organic Pollutants, Article 13, paragraphs 7 (d) and 7 (e); reports on the work of the Conference of the Parties of the Stockholm Convention at its first meeting (UNEP/POPS/COP.1/31), annex I, decision SC-1/17, and on the work at its second meeting (UNEP/POPS/COP.2/30), annex I, decision SC-2/12.

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**Submission by Burundi**

# REPUBLIQUE DU BURUNDI

## Suite donnée aux décisions adoptées par la Conférence des Parties à la Convention de Stockholm lors de sa 2ème réunion

### Demande 5 relative à la décision SC-2/12, paragraphe 3

Informations du Burundi sur les besoins financiers identifiés initialement pour la mise en œuvre des obligations aux termes de la Convention, telles qu'elles sont identifiées dans le plan national de mise en œuvre en application de l'article 7.

1) Les estimations de coûts contenues dans le PNM/Burundi (Plan national de mise en oeuvre de la Convention de Stockholm sur les polluants organiques persistants au Burundi) correspondant aux 8 plans d'action identifiés sont :

| Plans d'action | Coût (x 1,000 $USA) |
|---|---|
| 1. Renforcement des institutions et de la réglementation | 1,955 |
| 2. Gestion des stocks et déchets de pesticides contenant des POPs | 595 |
| 3. Gestion des PCBs et des équipements en contenant | 551 |
| 4. Gestion écologiquement rationnelle des rejets résultant d'une production non intentionnelle des POPs | 1,210 |
| 5. Gestion écologiquement rationnelle des sites contaminés par les POPs | 396 |
| 6. Sensibilisation, information et formation du grand public sur les POPs | 842 |
| 7. Surveillance et recherche-développement | 710 |
| 8. Système d'échange d'informations et de participation à la coopération internationale | 400 |
| Total (provisoire) | 6,584 |

2) Certains coûts, en particulier, les surcoûts et les coûts des équipements et matériels n'ont pas été estimés dans le PNM/Burundi, faute de capacités humaines nationales en la matière. Un renforcement de capacités nationales est donc nécessaire en matière d'estimation et d'évaluation qualitatives et quantitatives des besoins pour la réduction des POPs.

3) Le Burundi est Partie à la Convention depuis le 2 Août 2005 et le Pays a adressé son Plan national de mise en oeuvre au Secrétariat de la Convention en Mars 2006 pour la 2ème Conférence des Parties organisée à Genève du 1er au 5 Mai 2006.

**Submission by China**

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# 中华人民共和国国家环境保护总局

## STATE ENVIRONMENTAL PROTECTION ADMINISTRATION

115 Xizhimennei, Nanxiaojie, Beijing 100035, the People's Republic of China

**FACSIMILE SHEET**

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|---|---|
| Date: February 16, 2007 | No. of Pages: 9 |
| To: | From: |
| Name: Mr. Maged Younes | Name: Mr. Yue Ruisheng |
| Dept.: Secretariat of the Stockholm Convention on POPs | Dept.: Dept. of International Cooperation, SEPA |
| Tel/Fax: 41-22-797-3460 | Tel/Fax: 86-10-6655 6513 |

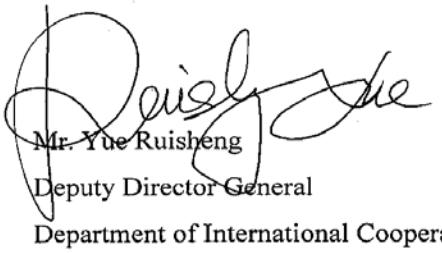
Subject: Information on identified initial funding needs for the implementation of the obligations under the Stockholm Convention as identified in the national implementation plan pursuant to Article 7

Dear Mr. Maged Younes,

Pursuant to the decisions of POPs COP2, please find attached information on identified initial funding needs for the implementation of the obligations under the Stockholm Convention as identified in the national implementation plan pursuant to Article 7.

If you have any questions, please do not hesitate to contact us. Thank you for your kind cooperation.

Sincerely yours,



Mr. Yue Ruisheng

Deputy Director General

Department of International Cooperation

State Environmental Protection Administration

Beijing, China

Information on identified initial funding needs for the implementation of the obligations under the Stockholm Convention as identified in the national implementation plan pursuant to Article 7. **SC-2/12:Terms of reference for work on modalities on the needs assessment**）

China is one of the largest developing countries, that produce, use, and discharge huge amount of POPs. Of the 12 kinds of POPs initially included in the Convention, chlordane, mirex and DDT are still being produced and used, electrical devices containing PCBs are still in-use and decommissioned sealed devices have not been adequately and properly disposed of; as for dioxin and furan, China has all the 10 categories and 62 subcategories of sources listed in UNEP Toolkit. In addition to this, due to the low level of management and technical and economic constraints, POPs wastes and contaminated sites are not yet completely identified, properly managed or disposed of.

As the compilation of NIP comes to the end, the Convention will be implemented nationwide. According to the requirements of the Convention and arrangement of NIP, before 2010, China will try to eliminate production and usage of chlordane, mirex, DDT based antifouling paints, and dicofol production with DDT as intermediate in non-closed system; adopt best available technology and the best environmental practice (BAT/BEP) to control and reduce release of dioxin from new sources; take prioritized measures to reduce and control the release of dioxin from existing sources in key industrial sectors; and establish environmental sound management and disposal system for POPs wastes, etc.

It's certain that China is confronted with great pressure and enormous challenges to implement the Convention, and faces with large gap of available funding. Based on the initial calculation in the NIP, before 2015, China will need about 4.3 billion USD in total so as to accomplish the identified actions and measures, among which, China will need about 1.27 billion USD, including incremental cost of 0.5 billion USD from 2007 to 2010. The implementation will mainly focus on following three areas:

1、Capacity building activities with funding needs of about 120 million USD, and incremental cost of about 80 million USD.

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1 ) Establish and develop the dynamic inventories of POPs:

During the NIP development, with the established inventory investigation methodologies, extensive cooperation of multiple departments and institutions, repetitious verification and confirmation of data and information, comprehensive investigations have been conducted to understand the status of POPs production, distribution, use, import, export, emissions, stockpiles, wastes and contaminated sites etc. However, due to the constraints of time, lack of technology and experience, and lots of existing history problems etc, the inventories are still not sufficient. Dynamic inventories need to be further established and developed, including the release inventory of unintentionally produced POPs, inventory of electrical devices containing PCBs, and inventory of wastes containing POPs etc.

2 ) Improve the legislative and regulatory framework

According to the analysis in NIP, there are no specific policies or regulations regarding POPs management in China. Instead, stipulations related to POPs management are dispersed throughout different laws and regulations that are hard to coordinate, and some current regulations are impracticable. To fulfill the requirements of the Convention, about 40 policies, regulations, catalogues, and about 120 technical compulsory standards need to be revised, made or issued, including environmental quality standards, product quality standards, and industries release standards, etc.

3) Strengthen institutions

Although China has set up national coordination group and the Convention implementation office, the national convention implementation institutions has insufficient capacity for comprehensive coordination, decision making support, organization and execution, and monitoring and supervision. It's urgent to strengthen the capacity of the POPs related 11 ministries, 50 industrial associations, 31 provincial and 2862 municipal agencies, including training the personnel of above institutions or agencies to improve their capacity on decision making, coordination, organization, management, law enforcement and supervision etc.

4) Conduct research and development activities

Currently, most of these existing researches have not covered many key issues directly

associated with the implementation of the SC, the capacity to transfer the research results to application domain is poor and there are always complaints that the researches are often academic and of little practical use.

Therefore, China needs to conduct wide array of research and development work on technologies for UP POPs release reduction and control and other technologies for phasing out pesticide POPs, destructing PCB and other POPs wastes, remediating/rehabilitating contaminated sites, and UP POPs monitoring techniques etc. Besides, POPs environmental risk assessment (ERA) and health risk assessment (HRA), POPs migration and transformation etc, are also need to be studied.

5) POPs monitoring

POPs related systematic monitoring has not been conducted in China. Most of the existing environmental, health or agricultural monitoring system can only meet the minimum requirements for the analysis of organochlorine pesticides (OCPs) and polychlorinated biphenyls (PCBs). As for unintentionally produced POPs, none of the established 13 dioxins analysis laboratories is accredited to an international scheme and it is unlikely that they would have the capacity to undertake a major analytical programme in support of systematic and routine monitoring without major additional investment. Furthermore, the current monitoring for POPs is hampered by lack of qualified human sources and standardized management.

To develop POPs inventories, and check or supervise POPs release sources with existing or to be established release standards, POPs monitoring should be conducted for more than tens of thousands of enterprises; to evaluate impacts on environment and human health of POPs, and conduct effectiveness evaluation of the NIP implementation, large amounts of systematic monitoring activities are also indispensable. In this context, capacity building activities for POPs laboratories, including establishment of standardized analytical methods, certification and laboratory quality assurance system, and training of related personnel, should be taken.

6) Push the establishment of financial mechanism

According to the preliminary estimation of NIP, China's total cost for Convention

implementation before 2015 is estimated at 4.3 billion USD. Apparently, no single financial source, such as GEF and government financial resources can fulfill such a huge funding needs. To ensure the smooth implementation of the NIP, there is a compelling need to establish a financing mechanism, with feasible and operational models, to mobilize various financing resources, as well as opportunities for public and private investment.

7) Raise public awareness and promote public participation

During the NIP development, the stakeholders of various sectors and at different levels have been motivated in participating in numerous training and consultation workshops. Their awareness of POPs issues, particularly at the national level, has been improved significantly. However, due to the limited time and sources allocated to awareness promotion campaign, awareness is still insufficient, particularly at the local levels where economic development is generally seen as of a greater importance than environmental protection. The decision and law makers do not recognize the importance to mainstream POPs issues into the comprehensive policy and legislative framework and do not have included these issues into their agenda. The enterprises have not been fully motivated to take measures on POPs.

The public has been little exposed to the information of POPs and is far from being reactive to POPs concerns. So the initial awareness raising activities is to compile propaganda and educational materials for different themes, then develop long term publication and educational activities for different target groups, including administrative departments, industrial associations, technical support institutions, high level exposure populations, women, children and every public.

2、Investment activities with funding needs of about 800 million USD, and incremental cost of about 260 million USD.

1) Introduce and promote application of alternative technologies

Due to the shortness of advanced basic science research and application technology study, there is rarely environmentally friendly, cost efficient and effective technologies to substitute, reduce and dispose POPs in China, especially BAT/BEP for dioxin reduction and control which involves enormous industries and depends on strong technical support.

In line with the round implementation of NIP, China will require huge amount of funds and technology, need to establish relevant organization to introduce, develop and transfer feasible and applicable technologies, as well as carry out capacity and investment activities for industries and enterprises to mainstream the application of feasible technologies, assist enterprises to understand, adopt and promote internationally advanced, environmentally friendly, technological viable substitution, reduction and control, treatment and disposal technologies.

2 ) Try to phase out chlordane and mirex through demonstration and replication projects

There were 9 enterprises producing Chlordane and Mirex in China, and three enterprises are still in production at present. According to statistical data, the production amount of chlordane and mirex were 327 tons and 6 tones respectively in 2005, both were used for termite control. To reduce and finally eliminate the use of Chlordane and Mirex, at the demonstration phase, relevant laws and regulations on forbidding chlordane and mirex should be established, laws enforcement and market supervision should be strengthened, the application of IPM and incentive measure to promote the IPM should be taken; based on the experience achieved in demonstration phase, before 2010, nation wide application plan should be established, all chlordane and mirex enterprises should be closed, and contaminated sites of the 9 enterprises should be managed in environmental sound way.

3) Try to eliminate the production of dicofol with DDT as intermediate in non-closed system through demonstration and replication projects

There were 6 enterprises producing dicofol in China, and three enterprises are still in production at present. The registered dicofol production amount was 1441.3 tons in 2004, consumed about 1870 tons of DDT as intermediate. The dicofol mainly used for leaf mites control from apples, oranges, and cotton. At demonstration phase, it's necessary to establish laws and regulations for forbidding production of dicofol in non-closed system and usage of dicofol containing high concentration of DDT, strengthen law enforcement in circulation market, develop and promote environmental friendly and economic efficient alternative technologies, apply incentive measures etc. Then, based on the experience achieved in demonstration phase, before 2010, nation wide application plan should be established, process of producing dicofol in non-closed system should be closed, contaminated sites will

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be managed in environmental sound way, and the habit of pesticide application will be changed with awareness raised and education.

4 ) Phase out DDT based antifouling paint at nation wide

About 250 MT DDT are used annually to produce about 5000 tons of DDT based antifouling paints by the 19manufacturers, being mainly used for antifouling in medium and small sized fishing boats.

To eliminate such kind of usage, laws and regulations forbiding production and usage of DDT based antifouling paints should be established, antifouling paints market should be standardized, supervision should be improved, relevant institutions' execution should be strengthened; environmental friendly, economic viable alternative technologies should be developed and promoted with incentive measures; awareness raising activities should conducted to mobilize the participation of governmental managers and executives, DDT based antifouling paints producers and sellers, boat maintaining enterprises and fishing men etc.

5 ) Adopt BAT/BEP for dioxin reduction and control in key industrial sectors

With the adjustment of industrial structure under 11$^{th}$ Five-Year Program, some small enterprises will be closed, scale of industrial enterprises will be zoomed in, over dated technologies will be gradually phased out. However, the production amount in key industrial sector will still be continuously increased. Therefore, new release sources of UP POPs in key industries will appear, and the dioxin release problem should be highly noticed. According to the Convention requirement, BAT/BEP should be adopted to control these new release sources.

In order to adopt BAT/BEP for new release sources and control the UP POPs release in key existing industrial sectors, China will evaluate the technical feasibility of BAT/BEP and establish UP POPs management system in key industries, including mainstreaming environmental impact evaluation system, making or amending UP POPs release standards, revising the Catalogue of Guidance for Adjustment of Industrial Structure etc.

6) Conduct environmentally sound disposal of some identified POPs wastes

Before 2010, combining with non-combustion technology demonstration project, adoption

non-combustion or already mature pyrolytic incineration and cement kiln co-processing technology to environmentally sound dispose of about 5000MT identified pesticide POPs wastes, including contaminated site with POPs in high concentration.

3. Technology demonstration activities （350 million USD，including 160 million USD incremental costs）

1) PCB management and disposal demonstration project

The production of PCBs oil began in 1965 in China, and 4 production enterprises was gradually closed from 1974 to the 1980s with accumulative production amount, about 7,000 to 10,000 tons. There were 3 enterprises producing PCBs-containing capacitors and transformers, and 8 enterprises producing PCBs-containing paint before 1980.

At present, there are about 460 PCBs-containing capacitors identified in use in the electricity sector in China. In the non-power sector, due to the multiple sectors involved, lots of enterprises, the weak management, and lack of label etc, investigations have encountered great difficulties on PCBs-containing capacitors. In Liaoning province, about 554 PCBs-containing capacitors in use were identified in the non-power sector. Therefore, the on-line PCBs-containing capacitors and transformers need to be identified, including lots of indispensable monitoring.

The objective of the demonstration project is to set up and demonstrate environmentally sound and cost-effective management and disposal system for high-risk PCBs wastes and on-line electrical equipments containing PCBs. The activities include strengthening institutional capacity; establishing regulatory framework, including laws, regulations disposal standards and guidelines etc; handling, transporting, storing PCB temporary depositary; setting up infrastructure for disposal of wastes containing PCB and contaminated soils in the two demonstration provinces.

2) Demonstration of non-combustion technology for disposal of POPs wastes

According to NIP, the amount of pesticide POPs wastes is about 4,000-6,000 tons. Investigation showed that two enterprises contain about 90,000 tons of contaminated soils with concentration of DDT more than 50ppm, and two enterprises have about 20,000 tons of contaminated soils with concentration of chlordane and mirex more than 50ppm. These

POPs wastes and contaminated soils iin high potential risk to environment and human health, need to be disposed in environmentally sound way.

Non-combustion destruction technologies have the merits of energy efficiency, low cost of construction and operation, and significantly, it when will not release UP POPs when being applied for disposal of POPs wastes containing high concentration of chlorine. The project will demonstrate the viability and removal of barriers that impede adoption and successful implementation of available non-combustion technologies to destroy POPs stockpiles and high concentrated contaminated sites.

3) Demonstration of dioxin reduction in key industries

According to NIP, China has initially identified and confirmed key industries releasing half amount of UP POPs in total, including municipal waste incineration, hazardous waste incineration, medical waste incineration, pulp and paper making industry, iron ore sintering and Electric Arc Furnace for steel making, secondary metal production sector, crematory sector, and chemistry industry. Most of the above key industrial sectors are listed in part II of Annex C in the Convention, have increasing trend of dioxin release, and BAT/BEP experience is available for application in these industries.

For above key industrial sectors, demonstration will be developed pursuant to < BAT/BEP guideline> issued by UNEP and general provisions in Annex C of the Convention, to verify the technical feasibility of BAT/BEP and learn experience for follow-up replication activities. The activities in the demonstration projects will focus on BAT/BEP demonstration, coupling with regulation revision and laws enforcement, strengthening institutional capacity, information dissemination, and public awareness raising etc.

It is necessary to point out that funding needs in the text are based on current information and data derived from NIP. They could reflect financial requirement and incremental cost for China to implement the Convention on the whole. Along with the implementation of the NIP, and issue of complementary compilation guideline for NP development, the possible adjustment of the funding needs will be submitted to the Convention secretariat at the appropriate time.

## Submission by the Global Environment Facility

GEF

Global Environment Facility

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January 8, 2007

Mr. Maged Younes
Acting Executive Secretary
Secretariat of the Stockholm Convention
Chatelaine 1219
Geneva, Switzerland

*Invitation to provide information as a follow up to decision SC-2/12*

Dear Mr. Younes,

I refer to your letter, dated 30 October 2006, in follow up to decision SC-2/12 of the Conference of the Parties to the Stockholm Convention (COP), inviting the GEF, in its capacity as the principal entity entrusted with the operations of the financial mechanism of the Stockholm Convention, to provide information gathered through its operations relevant to assistance needs in eligible Parties.

The GEF has reported regularly to the COP, and to the Intergovernmental Negotiating Committee before it. These reports provide the Parties with details of GEF's operations in support of implementation of the Stockholm Convention since its adoption in May 2001. The note appended below builds on the GEF reports to address issues of relevance to decision SC-2/12.

I look forward to studying the report of the preliminary assessment of funding needs that you are preparing in response to the request from the parties, and I look forward to future collaboration between our two secretariats to work on this issue.

Sincerely,

**Implementation of decision SC-2/12: Information gathered by the GEF relevant to assistance needs in eligible Parties – 15 December 2006**

1) GEF funding in support of the implementation of the Stockholm to date (2002-2006)

As of December 15, 2006, the GEF had committed an estimated US$ 200 million to projects in the POPs focal area, whilst leveraging more than US$ 155 million in co-financing. The GEF allocation includes US$ 63.6 million to support the development of National Implementation Plans in eligible countries. The remainder supports projects addressing priority POPs implementation issues, including PCBs management and disposal, removal and disposal of wastes containing obsolete POPs pesticides, the demonstration of the efficacy and cost-effectiveness of alternatives to DDT for malaria vector control, or alternatives to POPs pesticides for termite control.

2) Progress in the NIP program

To date, the GEF has supported the development of NIPs in 131 eligible countries. As reflected on the Stockholm Convention's website, 25 of these countries, parties to the Convention, have already submitted their NIP to the Convention Secretariat. As of 15 December 2006, the GEF Agencies further reported to the GEF Task Force that another 37 parties were at a final stage of NIP development, with their NIP in the process of finalisation and endorsement, or even pending submission to the Secretariat. Another 14 countries that have yet to ratify the Convention are at the final stages of NIP development – these countries, it is expected, will become party to the Convention in the near future. (Following COP guidance, eligibility for NIP development was extended to countries signatories to the Stockholm Convention, or in the process of becoming a party to the same.)

3) 4th replenishment of the GEF (2006-2010) and anticipated evolution of priorities

The recently completed negotiations for replenishment of the GEF led to replenishment of the GEF Trust Fund to the tune of US$ 3.13 billion, of which US$ 300 million is targeted towards POPs. (The summary of negotiations is available at http://www.thegef.org/3rd_assembly/GEF.A.3.6_Summary_of_Negotiations.pdf) Under GEF-3 (2002-2006), efforts focused on supporting NIP development in eligible countries. Taking into account that a large number of parties will have soon completed their NIP, it is expected that activities from GEF-4 will be characterized by a shift from preparation to implementation. It is further expected that activities supported will include a mix of capacity building and investments required to support the implementation of the NIP in eligible parties.

4) Co-financing and other sources of funding

The COP in its decision SC-2/11 on "additional guidance to the financial mechanism" requested the GEF to include in its regular reports "a more in-depth analysis of its financing, including co-financing [...]". The GEF report to the forthcoming third session of the COP includes such information, and this will become increasingly useful as the

portfolio grows and diversifies. The COP also requested the GEF to "continue to develop operational requirements which facilitate and guide the approach and actions of its […] agencies to proactively assist in mobilizing other sources of financing for POPs projects […]". The work that the GEF is engaged in to implement the policy recommendations of the fourth replenishment, particularly with regards the attention paid to sustainability in GEF projects, and the emphasis on working with the private sector, will contribute to responding to this request.

**Annex: Reports previously submitted by the GEF to the Conference of the Parties to the Stockholm Convention**

*Report of the Global Environment Facility to the sixth session of the Intergovernmental Negotiating Committee* (UNEP/POPS/INC.6/INF/9, June 10, 2002)

*Activities of the Global Environment Facility in Support of the Early Implementation of the Stockholm Convention on Persistent Organic Pollutants – Prepared for the seventh session of the Intergovernmental Negotiating Committee* (UNEP/POPS/INC.7/INF/11, June 12, 2003)

*Report of the Global Environment Facility to the first meeting of the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants* (UNEP/POPS/COP.1/INF/11, February 15, 2005)

*Report of the Global Environment Facility to the second meeting of the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants* (UNEP/POPS/COP.2/28, February 3, 2006)