

OPERATIONAL PROGRAM NUMBER 10
CONTAMINANT-BASED OPERATIONAL PROGRAM

GUIDANCE

10.1 Guidance for this Operational Program (OP) comes from the GEF Council in the Operational Strategy. Operational Programs in the International Waters focal area provide a planning framework for the design, implementation, and coordination of different sets of GEF International Water projects that can achieve particular global environmental benefits. Through different operational programs, emphasis is placed on various kinds of interventions and certain types of projects that can lead to implementation of more comprehensive approaches for restoring and protecting the International Waters environment. Operational Programs are established to ensure systematic coordination among implementing agencies, countries, and other actors as well as to generate programmatic benefits for the global environment that would not otherwise be achievable.

10.2 In the Contaminant-Based Operational Program, the GEF includes projects that help demonstrate ways of overcoming barriers to the adoption of best practices that limit contamination of the International Waters environment. Four components characterize the range of projects in this operational program. One includes a set of limited demonstration projects for addressing land-based activities while others include projects related to contaminants released from ships, persistent toxic substances such as persistent organic pollutants (POPs), and targeted regional or global projects useful in setting priorities for possible GEF interventions, meeting the technical needs of projects in this focal area, or distilling lessons learned from experience.

PROGRAM OBJECTIVES

10.3 The long-term objective of the Contaminant-Based Operational Program is to develop and implement International Waters projects that demonstrate ways of overcoming barriers to the use of best practices for limiting releases of contaminants causing priority concerns in the International Waters focal area, and to involve the private sector in utilizing technological advances for resolving these transboundary priority concerns.

10.4 Short-term objectives of the program include:

- (a) demonstrate strategies for addressing land-based activities that degrade marine waters through development of a component consisting of one pilot project in each of the world's development regions;
- (b) harness involvement of U.N. agencies and institutions specializing in the development of modern technology as executing agencies for International Waters projects addressing non-indigenous species in ship ballast water, use of new technology to assess and reduce contaminant loading of International Waters, and prevention of releases of globally significant toxic substances such as persistent organic pollutants (POPs);
- (c) leverage significant private sector support to conduct at least one major demonstration using modern technology to prevent shipping accidents, oil spills, and releases of contaminants as well as to demonstrate innovative measures for addressing MARPOL issues; and
- (d) develop several regional or global International Waters projects aimed at deriving and disseminating lessons learned from projects undertaken in the pilot phase and the permanent GEF, sharing the learning experience with groups of countries cooperating on International Waters projects, and addressing the technical and institutional needs of those countries cooperating on International Waters projects.

PROGRAM SCOPE

10.5 In the Contaminant-Based Operational Program, GEF plays a catalytic role in demonstrating ways to overcome barriers to the adoption of best practices limiting contamination of International Waters. Since the focus is contaminants rather than a specific waterbody, there is no requirement that these projects be tied to a particular multi-country collaborative effort as there is in the two other International Waters operational programs. However, projects are encouraged where an imminent threat exists and where neighboring countries wish to collaborate. Several components are included to illustrate application of this operational program to different types of contaminants from different sources. While pollution abatement and prevention should also be a key element of other operational programs, this one focuses on poorly addressed contaminants and aims to utilize demonstrations to overcome barriers to adoption of best practices, waste minimization strategies, and pollution prevention measures. Demonstration projects or project elements that test the use of innovative policies or economic instruments, such as tradable pollution reduction allocation systems, would be a priority in this operational program.

10.6 The operational program includes narrowly focused regional or global projects that can help meet particular technical needs or build capacity for the use of certain measures by various on-going International Waters projects. Targeted technical demonstration and capacity building projects can help build awareness in countries that are participating in International Waters projects and serve as a means to encourage best practices, develop tools for finding solutions, and formulate policies for innovative institutional approaches. Also included in this operational program are global International Waters projects that help contribute to the development of strategic approaches across operational programs in the focal area and facilitate exchange of experience among different International Waters initiatives. From these exchanges, capacity can be built and lessons learned derived for wider application.

10.7 Pollution prevention is stressed in this operational program. Prevention, not remediation, is a more cost effective strategy. In fact, industrial waste minimization programs and technological advances that can prevent ship collisions and discourage spills may increase profits of the private sector once barriers are removed -- and may assist as part of "user pays" and "polluter pays" strategies to provide funding for sustaining regional cooperation aimed at protecting transboundary waters. (Waste minimization assessment, technology transfer, and information exchange will be fostered in projects dealing with global toxic contaminants.) Private sector involvement is sought to leverage needed investments and innovative modalities such as contingent finance may be tested.

EXPECTED OUTCOMES

10.8 International water projects normally require a long-term commitment on the part of governments, implementing agencies, donors, and GEF to leverage the intended sectoral changes -- to address the root causes -- of complex environmental problems in this focal area. While the two other operational programs are characterized by the need for a more deliberate process, the contaminant-based operational program is intended to include an array of projects that address certain high priority contaminants in the areas of land-based activities which degrade marine waters, global toxic pollutants, and ship related contaminants. A fourth component represents the collection of global and regional projects that provide programmatic and strategic benefits for the global environment through technical support, assessment, and derivation of lessons learned across operational programs in this focal area. As with other International Waters operational programs, the GEF will normally play an important catalytic role in funding solutions that address the most threatening global contaminants. Expected outcomes of this operational program include a series of projects in these four different components.

10.9 A key assumption is that substantial private sector resources will have been leveraged over time as part of the demonstration projects aimed at removing the barriers to adoption of the measures. Another assumption is that there will be close cooperation among GEF Implementing Agencies and possible executing agencies on demonstration projects. A mixture of project elements addressing technical issues, scientific assessment, analysis, capacity building, and investments may be needed to adequately meet objectives.

PROGRAM OUTPUTS

10.10 The outputs of the operational program encompass a number of projects that focus on certain types of contaminants that degrade the International Waters environment. Consequently, GEF interventions in this operational program tend to demonstrate that technological barriers can be overcome or that measures aimed at removing barriers can be implemented. Some barriers involve lack of information or the lack of training. Others involve the legal, regulatory, or sectoral policy adjustments needed to reduce environmental stress. Innovative programs, financing measures, and demonstrations of technologies characterize certain projects.

10.11 Outputs from individual International Waters projects in this operational program can be inferred by the types of activities included for each of the components listed under "Types of Activities". A key assumption is that over time, successful demonstrations will be replicated, approaches to certain problems will be repeatedly utilized by implementing agencies, and barriers to adoption of pollution prevention measures will have been removed.

TYPES OF ACTIVITIES

10.12 GEF activities under this operational program are quite varied and programming will be accomplished to limit the number of projects to a representative amount in each of the different components. Typical activities for projects in different components include:

Land-Based Activities Demonstration Component

10.13 Land-based activities can be addressed in all three operational programs of this focal area depending on the setting and the waterbody. Because the other two operational programs represent more deliberate processes, this component includes a series of demonstration projects (at least one in each development region of the world) consisting of basins or areas draining to coastal\marine waters. Fast-track demonstrations of approaches, techniques, pilot projects, innovative technologies,

institutional arrangements, and contaminant release how these should be addressed in relation to other stresses. In particular, several demonstrations involving the use of economic instruments are of high priority. Project preparation should include an analysis of priority contaminants, the barrier being removed, and a strategy for implementing needed baseline and additional actions. These demonstration projects may be useful for testing strategies countries might wish to pursue under the Global Programme of Action for land-based activities that degrade marine waters.

Global Contaminants Component

10.14 Some toxic pollutants that are persistent in nature can be considered as “global contaminants” because they are transported long distances in ocean currents or through deposition from the atmosphere. They can accumulate in living organisms and can pose human or ecosystem health risks. Some of these pollutant releases are associated with certain industrial processes across the world. Contaminated International Waters sometimes cannot be rehabilitated through regional action alone because this may place particular regions or enterprise at an economic disadvantage in world markets. Substances such as mercury, dioxin, PCBs, persistent organic pollutants and some pesticides that can disrupt human endocrine systems or pose human health threats are candidates for global action. This component is designed to be consistent with initiatives on persistent organic pollutants (POPs) underway as part of the Global Program of Action.

10.15 The GEF may support activities that help characterize the nature, extent and significance of these contaminants and support the agreed incremental cost of processes and measures that demonstrate prevention or reduction of releases in recipients countries.

Ship-Related Contaminants Component

10.16 Various interventions have been planned as part of pilot phase International Waters projects to address releases of oil, and garbage from ships. As the projects mature, lessons will be derived from the experiences. In the near term of the GEF, special emphasis is being placed on interventions to prevent the transfer of non-indigenous species in ship ballast water, in demonstration of new technology to help ships avoid collisions in busy corridors, and to prevent unauthorized releases of contaminants while leveraging private sector involvement. The new information technology may discourage releases of oil and non-degradable waste, and provide a means of determining whether ballast water was exchanged in accordance with best practices to prevent transfer of species and to address MARPOL issues. Once barriers to use of the new technology are overcome, efficiency gains and reduced insurance

costs may raise the profits of the private sector and some of these profits might contribute to financial sustainability following the end of GEF involvement.

Regional/Global Technical Support Component

10.17 The complexity of International Waters projects raises technical questions about how and what contaminants to monitor, how to analyze complex sets of data, where to get help, how countries can institutionally work together, and how to involve the public in decision-making. Targeted regional or global capacity-building projects may be necessary to help increase awareness on how to jointly address these contaminant problems. Global projects in this component can help individual groups of countries to share experience with other areas around the globe and lessons can be derived from the experience. New computer simulation models, remoting sensing tools, and information systems have been developed -- especially for marine and coastal areas -- that can help countries sort through complex decisions for dealing with root causes of transboundary environmental degradation. Targeted technical information sharing, capacity building, and training opportunities may also be appropriate. In addition, certain global projects of a strategic nature that assess contribution of contaminants to the environmental status of International Waters or that develop longer-range approaches may be programmed in this operational program.

10.18 Outputs from individual International Waters projects in this operational program include:

- (a) work to implement number of fast-track demonstration projects of approaches, techniques, pilot projects, innovative technologies, institutional arrangements, and the use of economic instruments;
- (b) an analysis of the priority contaminants requiring action and the identification of the barriers to the required actions;
- (c) the establishment of multi-country, donor, institutional, and stakeholder commitments to implement expected baseline and additional actions;
- (d) the initiation and documentation of stakeholder participation in determining the identification of the priority contaminants, the barriers to action, and the expected baseline and additional actions to be implemented;
- (e) the development of computer simulation models, use of remote sensing technology and information systems, especially for marine areas, can help countries sort through complex decisions for dealing with root causes of transboundary environmental degradation;

- (f) the development of interim best practices for minimizing risk, phaseout of the use of a particular contaminant or of a process that generates a problem contaminant, pollution prevention strategies, substitution of chemicals in feedstock, and possible other interim measures;
- (g) the incremental cost of funding of priority actions needed to remediate the negative transboundary affects of contaminants. This funding could include cost-shared incentives for leveraging government, private sector, or donor action in implementing priority solutions on the ground that involve:
 - (i) costs associated with the development of new technologies to neutralize priority contaminants and the development of economic instruments to illustrate the feasibility of measures to abate/-prevent priority contaminant releases;
 - (ii) costs associated with the establishment of information sharing mechanisms, capacity building, and training opportunities with regard to the safe handling and disposal of priority contaminants;
 - (iii) costs associated with the development of computer simulation models and information systems for dealing with root causes of environmental degradation; and
 - (iv) costs associated with targeted research to assess the impact of specifically identified priority contaminants on human and ecosystem health.

INTERAGENCY COORDINATION AND PUBLIC INVOLVEMENT

10.19 The Contaminant-Based Operational Program involves more single IA projects than the other two operational programs. It also involves more specialized agencies, such as the IMO, and technology institutions in the execution of projects. Projects in this operational program may not be mutually exclusive from some regional International Waters projects in other operational programs. By including the flexibility that comes of demonstration projects for priority contaminants, IA's may be able to respond more comprehensively to country driven interests.

10.20 Stakeholder involvement and participation is an essential part of this operational program. A necessity for participation of the various stakeholders (including the private sector) within and across countries can improve the quality, effectiveness, implementation, and sustainability of projects. However, there is a need to identify the key stakeholders through a stakeholder analysis (or social assessment), determine the

levels at which their involvement will be required, and define the process that will ensure their effective participation. Linkage through computer-based networks is promising. Networking among stakeholders and government organizations can foster broad involvement in planning and implementing GEF International Waters projects and should help to improve the quality, public awareness, and scientific basis of International Waters projects. These technological innovations promote transparency among cooperating nations regarding key information, encourage broader participation by stakeholder groups within country and across countries, and provide a basis for evaluation.

RESOURCES

10.21 Programming is done in this operational program for the four components of the program (Land Based Activities Demonstration Component, Global Contaminants Component, Ship-Related Contaminants Component, Regional/Global Technical Support Component). Three-year resource requirements for the operational program are estimated to be between \$30 - 50 million.