



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Naoko Ishii
CEO and Chairperson

June 4, 2019

Ms. Kelly West
GEF Executive Coordinator
United Nations Environment Programme
Nairobi, 00100, Kenya

Subject: Project Cancellation Notification

Dear Ms. West:

UNEP, having consulted the relevant government agencies and co-financiers that were involved in project preparation for the project cited below, requested the GEF Secretariat to cancel the project for reasons indicated in the attached Cancellation Notification.

Last Project Status:	Council Approved
GEFSEC ID:	9412
Agency:	UNEP
Agency ID:	01412
Focal Area:	Chemicals and Waste
Project Type:	Full-Size-project (FSP)
Country(ies):	Brazil
Name of Project:	Environmentally Sound Management (ESM) of Lindane Brazil
GEF Project Financing	\$11,000,000
Agency Fee:	\$990,000
Project Preparation Grant:	\$300,000
Project Preparation Grant Agency Fee:	\$27,000
Cancelled GEF Project Financing:	\$11,000,000
Cancelled Agency Fee:	\$594,000
Cancelled Project Preparation Grant:	\$45,076.71
Cancelled Project Preparation Grant Agency Fee:	\$4,056.90
Funding Source:	GEF Trust Fund

In light of this development, I have accepted the cancellation notice and will cancel the project. The cancelled GEF Project Financing, Project Preparation Grant and associated Agency Fees allocated for this project will, therefore, be returned to the GEF Trust Fund following the GEF cancellation procedures and the provisions in the Financial Procedures Agreement between the Trustee and UNEP.

Sincerely,



Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: UNEP Cancellation Notification
Copy to: Operational Focal Points, Trustee



AGENCY NOTIFICATION ON CANCELLED FULL-SIZED PROJECT

24th May 2019

PROJECT IDENTIFIER

Name of Project: Environmentally Sound Management (ESM) of Lindane in Brazil
Country(ies): Brazil
GEF Agency: UNEP
GEF Project ID: 9412
Agency Project ID: 01412
Focal Area: Chemicals and Waste
Trust Fund: GEF Trust Fund
PIF Approval Date: October 30th 2017
PPG Approval Date: October 30th 2017
Council Approval Date (for FSP): November 30th 2017
CEO Approval Date (for MSP, EA): N/A
CEO Endorsement Date (for FSP): N/A

FINANCIAL STATUS

FSP Cancellation Date: 23/05/2019

Grant Amount: (in exact dollar amount) 11,000,000 **Agency Fee:** (exact \$ amount) 990,000

Undisbursed Grant Amount: (exact \$ amount) 11,000,000

Undisbursed Agency Fee: (exact \$ amount) 594,000

PPG: \$300,000; **PPG Fee:** \$ 27,000

Undisbursed PPG: \$45,076.71

Undisbursed PPG Fee: \$ 4,056.90

Explanation for cancelling project¹⁹⁰:

Following extensive discussions with partners in Brazil and detailed site investigations at both proposed locations identified in the approved PIF it has been confirmed that the anticipated Global Environment Benefit (GEB) targets can't be achieved.

The site investigations and data made available during the PPG confirmed that the sites contained large amount of contaminated soil and building material but that there was a lack of pure chemical waste for treatment. This is a variation to the approved PIF where the presence of pure POPs waste was a major assumption based on the analysis of available data and consultation with national partners in Brazil.

The treatment of contaminated sites is not covered under the Stockholm Convention on Persistent Organic Pollutants (POPs) for which the GEF Chemicals and Waste focal area is the financial mechanism. Subsequent discussions with the GEF Secretariat confirmed that the treatment of contaminated soil was not an eligible cost unless significant quantities of POPs waste were present. The treatment of the concentrations of POPs at the locations confirmed during the PPG, although significantly higher than safe limits for human exposure, will not result in the level of GEB set out in the approved PIF.

In addition, the proposed technology of Super Water Critical Oxidation (SCWO) is not suitable for such wastes and as such the proposed technology demonstration would not be feasible. The PPG also investigated options for substitution of the Lindane / HCH waste with other, similar POPs waste. Although significant other POPs waste was confirmed (PCB and HCB in particular) the time available under the PPG was insufficient to redesign the project to address these POPs.

Given the lack of assumed GEBs and the inappropriate nature of the proposed treatment technology to be demonstrated, the project is no longer considered as technologically viable and cost effective in relation to reducing impacts from POPs in the global context.

AGENCY CERTIFICATION

UNEP would like to inform the GEF Secretariat that it will amend/drop/cancel/suspend the above-mentioned project after consultation with the beneficiary country, particularly with the relevant government agencies involved in project preparation/implementation, and other partners including co-financiers.



Kelly West

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Project Contact Person: **Kevin Helps**

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¹⁹⁰ Attach evidence of consultation with country regarding the amended/dropped/cancelled/suspended project.