



**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.

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| 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

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**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 30<sup>th</sup> 2017  
**PPG Approval Date:** October 30<sup>th</sup> 2017  
**Council Approval Date (for FSP):** November 30<sup>th</sup> 2017  
**CEO Approval Date (for MSP, EA):** N/A  
**CEO Endorsement Date (for FSP):** N/A

### FINANCIAL STATUS

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**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 project<sup>190</sup>:**

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**

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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**

Agency Certifying Officer:

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