Demonstration of production phase-out of mercury-containing medical thermometers and sphygmomanometers and promoting the application of mercury-free alternatives in medical facilities in China

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10349

Countries

China

Project Name

Demonstration of production phase-out of mercury-containing medical thermometers and sphygmomanometers and promoting the application of mercury-free alternatives in medical facilities in China

Agencies

UNDP
Date received by PM

6/16/2021
Review completed by PM

10/26/2021
Program Manager

Anil Sookdeo
Focal Area

Chemicals and Waste
Project Type

FSP

PIF □
CEO Endorsement □

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Yes, the phase out of the use of mercury in the production of medical devices is a priority for the Minamata Convention. China is among the largest producers and exporters of these devices and as such the project if fully aligned with the CW focal area.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request Yes. The project will seek to address policy and regulatory barriers along with pilots in selected facilities along with a national replication plan.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request Yes, co-financing is documented via the Government of China.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

Yes. However please address the following:

Budget includes bank charges, exchange rate loss etc. ($4,308 + 3,486 + 1,538 = 1,960) - these items cannot be covered by GEF resources - please ask the Agency to remove this.

Budget line ?general administration? (some portion of $65,000) seems to be an overhead ? this cannot be covered by GEF resources - please ask the Agency to remove this.

Oct 25, 2021 - Bank charges / exchange rate loss are still in several parts of the budget ? GEF funds cannot be used to cover these expenses. Please remove.

- Budget line ?General administration? was not removed. As previously mentioned, as some portion of $65,000 seems to be an overhead, this cannot be covered by GEF resources.

Nov 4, 2021 - Comments cleared.

Agency Response

The portion of bank charges and exchange rate loss have been removed to be supported by co-finance.

Budget Notes 7, 20, 27 and 38 have been revised to better describe the nature of these costs and expenses, as follows:

Budget Note 7: Costs of materials and supplies, and expenses on communication and coordination activities required to support conducting researches and investigations in the field, organizing meetings and workshops, liaison and interaction with subcontractors, over the 5-year project duration (4,308)

Budget Note 20: Expenses relating to communication, coordination, organization and materials support to local consultants, manufacturing enterprises and medical institutions, including support in organizing meetings, workshops and training sessions over the 5-year project duration($3,846)

Budget Note 27: Expenses on communication, organization and coordination activities to support knowledge management, public awareness, and training workshops, over the 5-year project duration ($1,538)

Budget Note 38: Expenses incurred on organization and coordination to support project implementation, supervision and monitoring activities over the 5-year project duration ($1,960)

We clarify that ?General administration? is not related to overhead, but to general administration of the building. Budget Note 36 has been revised as follows to better described this budget line:

Budget Note 36: Costs relating to rent of office space, utilities, building operational and maintenance expense for 5-years ($65,000)

25 Oct 2021:

All reference to Bank charges / exchange rate loss have been removed from the budget

Budget adjustments made - budget line 71400 ?General Administration? removed.

We clarify that the amount US $ 65,000 does not constitute overhead. The amount refers to the PMU Office Rental and equipment to support the PMU to carry out the project related activities under the PMC.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request The core indicators remain unchanged from the PIF.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Yes. Mercury used in the production of medical devices is a priority area for action in the Minamata Convention.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

Yes. The project is well articulated.

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes. The project responds to China's obligations under the Minamata Convention and is well aligned with the CW focal area.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

The GEB's are well articulated.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response
Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request
Please include these in the main portal screen for the project.

Oct 6, 2021 - Comments cleared as exact coordinates will only be possible after conclusion of contracts with the respective enterprises.

Agency Response **Budget and Maps**: Project budget has been included and Project Maps is included in the CEO Endorsement Request, under Part II 1b.
*On the Project Map and Geo-Coordinates (page 38) are under Annex E "Project Maps(s) and Coordinates" i*t is clarified that while the candidate demonstration enterprises have been pre-identified, formal engagement with the Project starts when the contracts are signed, upon Project Endorsement and Initiation of Implementation (as Contracts carry financial obligations attached to the approved PRODOC). Therefore, specific geographical locations (geo-coordinates) of the Demonstration Enterprises were not included., but the Provincial Map is included.
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
NA

Agency Response
Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Gender Equality and Women?s Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Yes. The project is working with the private sector as beneficiaries that provide co-financing to the project.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request This has been provided.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request PPO Comments - 1. On M&E: the way it is presented right now in the M&E plan looks as if the allocated funds are meant to support the preparation of the Stakeholder Engagement Plan and Gender Action plan. Both plans should have been prepared earlier, at the design stage. Perhaps the items should be more related to the monitoring related to the progress made in implementing those plans. Please clarify.

2. On Co-financing: we were able to find two letters: one from FECO and another from UNDP. The particularity of the letter from FECO is that it includes a table with a list of external co-financiers. Each co-financier needs to provide an individualized letter committing to the co-financing.

3. On the UNDP Checklist: It mentions that the PRODOC outlined the roles and responsibilities, risk assessment, etc. However, we could not find the Prodoc attached in the list of documents.

4. Please include the budget and the maps in the CEO endorsement form.

5. The answers to the Council Members comments from the US and Germany need to be in the portal.

6. Core indicators: The number of beneficiaries in the Core Indicators section is much lower than announced in Annex A. Please reflect the correct number in either case, and provide a justification in case the Core Indicator value is redressed upward.

Oct 6, 2021 - We found in Portal the answers to the Council Member?s comments from the US ? however, it was not possible to find out the answers to Germany?s comment ? please amend.

Agency Response

Oct 6, 2021: Response to comments of the Government of Germany is attached as Annex A-3 to the CEO Endorsement Request.

1) **On M&E**, we noted the wording used led to misunderstanding. We confirm both the Stakeholder Engagement Plan (SEP) and the Gender Analysis and Mainstream Action Plan (GMAC) were prepared and were included in Section 5, under sub-headings ?Stakeholder engagement and south-south cooperation? and ?Gender equality and Women?s Empowerment? (pages 34-39) with both full reports included as Annexes 8 and 9 respectively (pages 105-137) of the UNDP Project Document (ProDoc). It is also included in Part II: Project Justification of the CEO Endorsement Request, with the SEP under 2. Stakeholder and the GMAC under sub-heading 3. Gender Equality and Women?s Empowerment (age 38- 53) and the GMAC. The incorrect wording in the M&E Plan and Budget table in both the UNDP ProDoc and the CEO ER has been corrected to read ?implementation and monitoring of? SEP and GMAC and highlighted in yellow on page 48 of the ProDoc and page 67 of the CEO ER.

2) **Co-financing**: The Implementing Partner (FECO/MEE - Gov. of China) confirms receipt of the commitment letters from the six (6) candidate demonstration enterprises, the China Association for Medical Devices Industry, and the two (2) provinces (Shandong and Shaanxi), though all in Chinese language, the Letters are being translated and will be submitted as requested.

3) **UNDP Checklist:** Please note roles and responsibilities are outlined on page 48-49 of the UNDP Prodoc, in terms of risk assessment, a detailed Risk Register is integral part of the Prodoc as Annex 6, the identified SESP risks including the management measures have been included in Prodoc as Annex 5. The CEO ER also carries the Roles and Responsibilities under Item (6) Pages 58-62

4) **Budget and Maps**: Project budget has been included and Project Maps is included in the CEO Endorsement Request, under Part II 1b.
*On the Project Map and Geo-Coordinates (page 38) are under Annex E "Project Maps(s) and Coordinates" i*t is clarified that while the candidate demonstration enterprises have been pre-identified, formal engagement with the Project starts when the contracts are signed, upon Project Endorsement and Initiation of Implementation (as Contracts carry financial obligations attached to the approved PRODOC). Therefore, specific geographical locations (geo-coordinates) of the Demonstration Enterprises were not included., but the Provincial Map is included.

5) Response to Council Members? comments: Responses to comments by Japan and the US have been separated into two separate files, attached as Annex I-1 and Annex I-2 to the CEO ER, to replace the one consolidate file originally submitted.

6) We apologize for the typo, **Core Indicator 11** under Annex GEF Core Indicator in the UNDP ProDoc, has been revised to reflect direct beneficiaries of 150,000 female and 150,000 male for a total of 300,000.

Council comments

Secretariat Comment at CEO Endorsement Request

Please include the comments from the Council in the main portal screen.

Oct 6, 2021 - We found in Portal the answers to the Council Member?s comments from the US ? however, it was not possible to find out the answers to Germany?s comment ? please amend.

Oct 25, 2021 - The comment has not been addressed. The text of the response to the comments of the council member from Germany needs to be inserted into the main portal screen.

Oct 26, 2021 - Comment cleared.

Agency Response

Responses to comments by Japan and the US have been separated into two separate files, attached as Annex I-1 and Annex I-2 to the CEO ER, to replace the one consolidate file originally submitted.

Oct 6, 2021: Response to comments of the Government of Germany is attached as Annex A-3 to the CEO Endorsement Request. Please also find below the extracted responses to all comments made by the GEF Council Members.

Please find below the above mentioned responses to the GEF Council Members comments:

1.1. **Comment from Japan**: *On single-country projects, especially with large stated co-finance ratios that involves many stakeholders, we would appreciate greater detail and confirmation on ability of GEF and its accredited agencies to conduct independent audits of such contributions, including verifying and assessing the abilities of the involved parties to meet the co-financing obligations of this project. Details on how this is to be done, preferably in writing to be posted on the GEF website, would be appreciated, as it is not clear from the existing material and guidelines*

Response 1.1: At PPG stage, the co-financing commitments identified during PIR stage were further assessed and confirmed. Signed and stamped official commitment letters were obtained from these contributors and included as attachments to the UNDP Project Document and CEO Endorsement Request being submitted to the GEF Secretariat. During project implementation, the Implementing Agency and the Executing Partner of the project will deploy a three-fold verification process on assurance for co-finance:

(i) During the whole implementation period: regular monitoring of the contributions will be carried out and annual verification of actual co-financing disbursements will be conducted. Actual annual co-financing disbursements can be included in the annual PIR to be submitted to the GEF Secretariat;

(ii) In the Mid-Term Review, independent verifiers appointed by the GEF Agency will also verify the level of realization of the co-finance at this stage; and

(iii) In the Terminal Evaluation, independent evaluators will be appointed by the GEF Agency and, among other responsibilities, he/she will also verify and confirm the level of co-finance realized

1.2. **Comment from Japan**: *On project 10349 (Demonstration of Production Phase-Out of Mercury Containing Medical Devices and Promoting the Application of Mercury-Free Alternatives), while we acknowledge the environmental benefits of phasing out mercury, we wonder about the scope of the assistance (=described in the document as ?phase out in all manufacturing enterprises (in China), as one of the largest manufacturers and exporters?). Given these descriptions, we would appreciate more information on how this assistance unequivocally would not serve as a subsidy for certain country?s industry players over others, ?reinforcing the market power of some targeted companies at the expense of other firms? as cautioned on p.20, in the most recent GEF Private Sector Engagement Strategy. The same concern applies to electrical-mobility-related projects, suggesting a need for transparency and balanced involvement of private sector providers in any of these cases*

Response 1.2: We took note of the Member?s concerns and we clarify that the aim of the project is to act as catalytic tool to support conversion of ?all? manufacturing facilities of mercury-containing medical thermometers and sphygmomanometers in China through a national replication plan to mercury-free production.

The four (4) mercury-containing thermometer producers and the two (2) mercury-containing sphygmomanometers producers will be incrementally (financially) support with the amount allocated of US $9,216,923, while their co-financing contributions amount to US $96,841,000 - approximately ten times higher than the incremental support from the GEF.

Moreover, the demonstration activities do not focus on baseline investment for the industrial conversion of the selected companies, rather they will focus on removing the technical barriers that hinder the companies? capacities to initiate the uptake of mercury-free technology and deploy the large-scale investments on manufacturing conversion, which are:

(i) assess the cost and various mercury-free technology options;

(ii) Promote R&D for alternative technologies, technical guidelines and adoption of international standard and improve calibration methods, carry on trials of production and product optimization and support the market of mercury-free alternatives (improve general public confidence in new products);

(iii) Carry on specific training to relevant staff, manager and other officials;

(iv) Define environmentally sound management plans for mercury stocks;

(v) Define guides for inventory of mercury contaminated sites and facilities in these plants; and

(vi) Develop preliminary plan for gender equality and mainstreaming activities in workplace and at management level.

The experiences and results generated will then be replicated to other companies using national resources and through a national replication programme indirectly driven by a green finance mechanism (Component 1) that will promote large scale replacement of mercury-contained devices.

Finally, the awareness raising and promotion activities are expected to increase the level of acceptance and application of mercury-free medical devices. We also want to

emphasize that such results will not only generate national benefits but as an important export country of medical devices, it will also generate global environmental benefits of reducing mercury use in importing countries in the region.

1.3. Comment from Japan: *On above point 3, we would like some clarification on how generally council member donors can gain access to the following project-related information, as we are experiencing difficulties finding such information in the documents on the website:*

1. *The process of selecting companies that will gain access to funds/ projects, and how can companies go about to be selected;*
2. *What entities are involved in the Steering Committee of each project (how/ where is this disclosed)?*
3. *How are Steering Committee members selected, and how can new members be included, in order to increase effectiveness and efficiency of designing/ implementing a project?*

Response 1.3: <u>For item (1)</u>

The demonstration enterprises participating in the Project were pre-selected through an open bidding process carried out in the PPG phase. All companies manufacturing mercury-containing thermometers and sphygmomanometers in China were given opportunity to submit application and offers to the project.

The Evaluation and selection criteria is specified in the online open bidding announcement and also released to all manufacturing enterprises through the industry association at the same time. The selection criteria and process are included: Enterprises interested in participating as a demonstration enterprise met the following minimum qualifications:

(a) Qualification: Enterprise must be an independent legal entity with no record of serious violation of laws and shall be mainly engaged in the research and development, production and sales of mercury-containing thermometers or sphygmomanometers;

(b) Environmental management: Mercury-containing waste gas and water shall be discharged after meeting relevant standards. Mercury-containing wastes shall be managed according to relevant requirements on hazardous waste management;

(c) Other requirement: Entity shall agree to cooperate in the testing, research and publicity activities during the duration of the project.

Demonstration enterprises selection process:

(a) Interested enterprises submitted their letter of intents and application materials according to the project requirements, bearing an official seal and accompanied by a certificate issued to prove that the information contained therein is true and reliable;

(b) Application evidence-materials included: (i) Business license (copy); (ii) Statement on no record of serious violation of laws; (iii) Registration certificates of mercury-containing medical devices (copy): the registration certificate shall remain valid for at least six months; otherwise, a certificate shall be provided for the extension of registration certificate; (iv) Production permit of medical devices (copy); (v) Business permit of medical devices (copy); (vi) Permit of pollutant emission (original or copy or record table, if any); (vii) Documents for project establishment, the EIA report and official replies or other relevant documents (including the production line, production capacity and other information pages); (viii) A letter of recommendation from the environmental protection department at provincial or municipality level (stating the basic information of enterprise, the supervisory monitoring report in 2019 and notes thereto, reason of recommendation, etc.).

(c) Based on application materials received, the Implementing Partner and an expert panel conducted formal examination of the submission and determined the candidates for participating in the demonstration activities.

Enterprises selection Criteria*:* The expert panel scored the applications on enterprise situation, phase-out objectives, anticipated demonstration output, technical route and fund use, and miscellaneous aspects to base their decision on the selection. The main criteria are:

(a) Favourable enterprise situation, including the enterprises? size, management measures of the enterprise for the prevention and control of mercury pollution, and its willingness for the provision of co-finance, including adherence to national laws on Labor Practices.

(b) Scientific and reasonable plan for phase-out objectives, including the discontinuation Plan on producing mercury-containing medical devices, reducing mercury consumption and mercury-containing products sales plan, mercury-free alternatives R&D, production and promotion plan and so forth.

(c) Responsiveness between the anticipated demonstration output and the result framework of the project document, including the result of production phase-out and transformation, environmentally sound management of mercury, organization of or participation in training activities, promotion of gender equality and summary of demonstration experience and achievements.

(d) Scientific and reasonable technical route and fund use, including feasible technical route design, rational staffing, disciplines, and division of labor of the team and rational allocation of the project budget.

(e) Miscellaneous aspects which enabling the phase-out activities, including having work plan to conduct publicity and helping other enterprises to transform, and recommendation letter issued by local environmental protection department.

Response 1.3: For items (1) and (3)

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The composition of the Project Steering Committee (?Project Board? as used in the UNDP Project Document) is not a fixed one as it follows UNDP?s Programme and Project Management Policy (PPM) ? which is part of the Programme and Operational Policies and Procedures (POPP).

As general PPM Guidance, the entities involved in the Project Board are the ones that have roles and responsibilities in governing and managing the project and the ones that should be considering when establishing the Project Board.

As well, the ?beneficiaries? of the project can also take place in the Project Board in several forms, including as part of Technical/Advisory Groups and in the several consultation activities during the project implementation.

The composition of the Project Board is integral part of the Project Document (PRODOC), under Section VIII ?Governance and Management Arrangements? (page 50). The PRODOC is a public document, co-signed between UNDP and the Ministry of Ecology and Environment (MEE), and posted at UNDP?s website. Its disclosure is totally open and can be assessed included through the Grievances Redress Mechanism, first at Executing Partner level, secondly at UNDP level.

Therefore, the Project Board under this project has been proposed following extensive consultation process during the PPG Stage and takes into account all spectrum of stakeholders involved in it. The institutions to take part of the Project Board were already indicated in the PRODOC (page 53), while the Members (representing such institutions) will be nominated by them.

2.1. **Comment from USA**: *Project component 3 includes work to ?identify, monitor, and remediate mercury contaminated sites? with corresponding activities under Outputs 3.1 and 3.2. However, the remediation of contaminated sites has not been identified as a high priority under the Minamata Convention for funding under the GEF under the first (and only) round of GEF guidance from the Conference of the Parties. Although this is a relatively small part ($1.4 million) of a $16 million project, funding may be better spent on environmentally-sound and secure interim storage of mercury efforts. This would both ensure that funding is not diverted for use in other sectors and would be more aligned with the current guidance.*

Response 2.1: Outcome 3.1, Outputs 3.1 and 3.2 have been modified, the activities will include:

(i) develop guiding methodology, carry on investigation, collect data to establish inventory on mercury-contaminated sites including conducting risk assessment analysis; and

(ii) develop risk management strategy, technical guidance and training materials for the sound management of residual mercury stocks and obsolete mercury-containing medical thermometers and sphygmomanometers at production enterprises.

There will be no any remediation action on contaminated sites sponsored by the project, as the only activity will be limited to identify potential sites and defined guidelines on

actions for remediation. The project will ensure that sound management of interim storage of mercury and mercury wastes in piloted production facilities are carried out by enterprises.

As suggested, a pilot to clean up interim storage at one project site will be carried out to test out the management strategy, technical guidance and training materials developed, to ensure its effectiveness as replication instruments. We respectfully refer to Component 3, Outcome 3.1, Outputs 3.1 and 3.2, Activities 3.1.1, 3.2.1 and 3.2.2 of the Project for more details.

2.2. **Comment from USA**: *Second, we strongly advocate for two key aspects to be addressed in the final proposal. While the project identifies demonstration projects and aid to manufacturers to find funding alternatives to transition out of production for mercury devices, it does not address what the expected uptake rate will be, nor how they will effectuate and/or monitor the transition amongst the manufacturers. Given clear deadlines articulated for phase-out in the document (2021 in the Minamata Convention, 2026 in China), knowing how much change to expect when will be important to judging the expectations and effectiveness of a funded project. Additionally, it would be helpful to understand how and when the different efforts identified in the proposal will be implemented, and what the synergies will be between them.*

Response 2.2: Demonstration of alternatives and Production Conversion:

We clarify that the annual mercury consumption of the demonstration enterprises participating in the project represent more than 60% (for mercury-containing thermometers) and 70% (for sphygmomanometers) of the total annual sector production output. The project targets to complete part of these activities by December 2024, when 30 metric tonnes of mercury will be phased out directly as result of the incremental intervention under Component 2 of GEF project as:

(i) assess the cost and various mercury-free technology options;

(ii) Promote R&D for alternative technologies, technical guidelines and adoption of international standard and improve calibration methods, carry on trials of production and product optimization and support the market of mercury-free alternatives (improve general public confidence in new products).

(iii) Carry on specific training to relevant staff, manager and other officials;

(iv) Define environmentally sound management plans for mercury stocks;

(v) Define guides for inventory of mercury contaminated sites and facilities in these plants

(vi) Develop preliminary plan for gender equality and mainstreaming activities in workplace and at management level.

The remaining consumption (approx. 40% and 30%) will be phased-out by 31 December 2025, as result of the ?real time? scale up/replication of the demonstration activities which will be initiated early in the beginning of 2023 as soon as some results of technology transformation, knowledge and implementation experience will be ready to be shared. Cost effective technologies will be promoted throughout this project to ensure engagement and awareness of the private sector stakeholders.

The National Replication will therefore have a three-year duration (2023-2025) to facilitate the achievement of complete phase-out by all producing enterprises by 31 December 2025, in addition to the fact that the National Medical Products Administration has issued Notice that production license of such mercury-containing medical devices shall not exceed 31 December 2025. For this, the activities promoted in Component 4 of the project (Knowledge Management and Awareness Raising) will be critical as to deploy Tools for Knowledge sharing developed and knowledge sharing activities facilitated on experiences about policy, technical knowledge and lessons learned for the project.

Disaggregated information on stakeholders activities and experiences under the project gathered and fed into the Monitoring and Evaluation processes of the Project. Therefore, the total industry ban of production of mercury-containing medical thermometers and sphygmomanometers will be achieved by the national deadline on 1 January 2026.

Mercury-free alternatives uptake by medical facilities and mercury disposal:

In parallel, in, at least, 6 piloted medical facilities, the project will promote the replacement of mercury-containing medical devices used at these facilities, the uptake of wider acceptance and correct application of mercury-free medical devices, and the sound management of chemicals at these facilities (under Components 2 and 3).

It is expected that, by the time of MTR, replacement of 30% of mercury-containing medical thermometers and sphygmomanometers will be achieved, with a 60% replacement rate to be reached at the end of the project in the selected facilities.

Synergies with Legal and Institutional Framework.

The Component 1 will be critical to support the Component 3 (mercury-containing devices replacement in medical facilities) directly, and the Component 2 indirectly, as it will create a Green Finance Framework for mercury-free devices procurement subsidization scheme for the medical facilities.

The Component 1 is also critical as it will promote the cross-ministerial cooperation and jointly develop and implement the necessary policy, regulations, tools, action plans and guidelines, in coordination with appropriate private sector partners, to phase-out the production and consumption of mercury-containing medical devices.

3.1. **Comment from Germany**: *Indicator 11: Germany kindly asks to clarify whether the number of*
beneficiaries includes the workers in the industry and the employees of the clinics, as the number seems very low for a project of this scope. Germany would recommend revising the number of beneficiaries and providing arguments as to how this number was achieved.

Response 3.1: At PIF stage, the number of direct beneficiaries was indicated as 1,000 (700 female, 300 male) covering the technical, operational and management personnel at manufacturing enterprises (only).

For CEO endorsement, the number of direct beneficiaries (Core Indicator 1) has been revised to 300,000 (150,000 female and 150,000 male) as reflected in Section VI ? Project Results Framework as well as in Annex 11-0 GEF Core indicators (page 144, Core Indicator 11) of the Project Document.

Direct beneficiaries include:

(i) the technical, operational and management personnel at manufacturing enterprises (1,000): engaged through the demonstration activities of the pilot projects recipients environmental sound management training workshops.

(ii) The medical personnel at medical institutions (target of 399,000 personnel working in both the pilot facilities as well as the facilities that will be reached through the project replication and upscale activities): engaged through demonstration activities at medical institutions, recipients of technical assistance, training on use and calibration of alternative devices and awareness raising activities

3.2. **Comment from Germany**: *Germany strongly recommends including practical implementation pilots for proper mercury disposal in the final project document, possibly also for privately owned thermometers that must number 100s of millions in China. In Component 3, only strategies and guidance/technical materials for disposal are developed during the course of the proposed project. There is however no implementation of pilot facilities for disposal of mercury per the Minamata Convention.*

Response 3.2: China has established the ?Regulation on the Administration of Medical Wastes?, as part of the baseline project, that governs the collection, transportation, storage, disposal, supervision and management of medical wastes, including mercury-containing medical devices.

The disposal activities (which include collection and storage of mercury concerned, mercury waste handling, mercury waste transport and disposal and sustainable ESM of mercury waste will be supported by the project and were reflected in the CEO Endorsement Request.

In addition, in Component 3, the demonstration interventions also aim to train medical staff to correctly use mercury-free thermometers and sphygmomanometers and soundly manage obsolete mercury-containing medical thermometers and sphygmomanometers.

The outcomes of the demonstration activities (pilots) will be captured and shared in awareness and training materials and guidance documents for long term, post-GEF-funded project, and the replication process.

The risk management strategy and associated guidance developed by the project will serve as guidance for replication in the National Plan that can effectively link to the national strategies of disposal of mercury waste and interim storage of mercury that will

cover public (medical facilities) and private owned (private facilities and households) aspects of the waste management of obsolete mercury-containing thermometers:

(i) Activity 2.2.5 under Project Component 2 will develop safe disposal management plan/strategy for mercury-containing medical thermometers and sphygmomanometers.

(ii) Activity 2.1.1 and Activity 3.3.1 under the Project Component 2 and 3 referring to the Minamata Convention?s Guidelines on the environmentally sound interim storage of mercury. A Spill Prevention and Management Plan will be developed and implemented at all demonstration sites for safe handling and disposal of mercury-containing obsolete devices and safely clean up of accidental mercury releases.

3.3. **Comment from Germany**: *Germany recommends including the lack of proper final disposal of mercury from the medical sector needs in the risk section of the project proposal.*

Response 3.3: This recommendation was included in the Project Component 3, Activity 3.3.1, which will also undertake a risk assessment and develop risk management plan at the pilot/demonstration facilities, and tackle issues related the safe handling and disposal of obsolete mercury-containing medical thermometers and sphygmomanometers in medical facilities, as follows:

(i) Activity 3.3.1: As part of the private sector risk assessment, the project will ensure the safe handling and/or disposal of residual mercury and obsolete devices and implementation of sound management on disposal, storage of mercury-containing medical devices, and mercury waste at both the manufacturing enterprises and the medical facilities. A Spill Prevention and Management Plan will be developed and implemented for safe handling and safely cleanup of accidental mercury releases.

In addition, UNDP Social and Environmental Screening Procedure has included the Risks #5, 6 and 8 that had foreseen Risk Mitigation Measures related to the handling and final disposal of mercury containing devices and mercury wastes:

(ii) Risk 5: Risk of release and worker/community exposure during decommissioning, transport and storage of waste mercury-related equipment, devices and elemental mercury in the course of the project

(iii) Risk 6: Risk of flooding of mercury device interim storage facilities

(iv) Risk 8: Resettlement or economic displacement or damage to agricultural lands indirectly resulting from the project?s identification of contaminated sites that require remediation in pilot sites through co-financed activities.

Please also note that the responses to the Council Members are also included as:

(a) Annexes I-1, I-2 and I-3 of the UNDP PRODOC

(b) Annex B of CEO Endorsement Request.

25 Oct 2021:

1.1. **Comment from Japan**: *On single-country projects, especially with large stated co-finance ratios that involves many stakeholders, we would appreciate greater detail and confirmation on ability of GEF and its accredited agencies to conduct independent audits of such contributions, including verifying and assessing the abilities of the involved parties to meet the co-financing obligations of this project. Details on how this is to be done, preferably in writing to be posted on the GEF website, would be appreciated, as it is not clear from the existing material and guidelines*

Response 1.1: At PPG stage, the co-financing commitments identified during PIR stage were further assessed and confirmed. Signed and stamped official commitment letters were obtained from these contributors and included as attachments to the UNDP Project Document and CEO Endorsement Request being submitted to the GEF Secretariat. During project implementation, the Implementing Agency and the Executing Partner of the project will deploy a three-fold verification process on assurance for co-finance:

(i) During the whole implementation period: regular monitoring of the contributions will be carried out and annual verification of actual co-financing disbursements will be conducted. Actual annual co-financing disbursements can be included in the annual PIR to be submitted to the GEF Secretariat;

(ii) In the Mid-Term Review, independent verifiers appointed by the GEF Agency will also verify the level of realization of the co-finance at this stage; and

(iii) In the Terminal Evaluation, independent evaluators will be appointed by the GEF Agency and, among other responsibilities, he/she will also verify and confirm the level of co-finance realized

1.2. **Comment from Japan**: *On project 10349 (Demonstration of Production Phase-Out of Mercury Containing Medical Devices and Promoting the Application of Mercury-Free Alternatives), while we acknowledge the environmental benefits of phasing out mercury, we wonder about the scope of the assistance (=described in the document as ?phase out in all manufacturing enterprises (in China), as one of the largest manufacturers and exporters?). Given these descriptions, we would appreciate more information on how this assistance unequivocally would not serve as a subsidy for certain country?s industry players over others, ?reinforcing the market power of some targeted companies at the expense of other firms? as cautioned on p.20, in the most recent GEF Private Sector Engagement Strategy. The same concern applies to electrical-mobility-related projects, suggesting a need for transparency and balanced involvement of private sector providers in any of these cases*

Response 1.2: We took note of the Member?s concerns and we clarify that the aim of the project is to act as catalytic tool to support conversion of ?all? manufacturing facilities of mercury-containing medical thermometers and sphygmomanometers in China through a national replication plan to mercury-free production.

The four (4) mercury-containing thermometer producers and the two (2) mercury-containing sphygmomanometers producers will be incrementally (financially) support with the amount allocated of US $9,216,923, while their co-financing contributions amount to US $96,841,000 - approximately ten times higher than the incremental support from the GEF.

Moreover, the demonstration activities do not focus on baseline investment for the industrial conversion of the selected companies, rather they will focus on removing the technical barriers that hinder the companies? capacities to initiate the uptake of mercury-free technology and deploy the large-scale investments on manufacturing conversion, which are:

(i) assess the cost and various mercury-free technology options;

(ii) Promote R&D for alternative technologies, technical guidelines and adoption of international standard and improve calibration methods, carry on trials of production and product optimization and support the market of mercury-free alternatives (improve general public confidence in new products);

(iii) Carry on specific training to relevant staff, manager and other officials;

(iv) Define environmentally sound management plans for mercury stocks;

(v) Define guides for inventory of mercury contaminated sites and facilities in these plants; and

(vi) Develop preliminary plan for gender equality and mainstreaming activities in workplace and at management level.

The experiences and results generated will then be replicated to other companies using national resources and through a national replication programme indirectly driven by a green finance mechanism (Component 1) that will promote large scale replacement of mercury-contained devices.

Finally, the awareness raising and promotion activities are expected to increase the level of acceptance and application of mercury-free medical devices. We also want to emphasize that such results will not only generate national benefits but as an important export country of medical devices, it will also generate global environmental benefits of reducing mercury use in importing countries in the region.

1.3. Comment from Japan: *On above point 3, we would like some clarification on how generally council member donors can gain access to the following project-related information, as we are experiencing difficulties finding such information in the documents on the website:*

1. *The process of selecting companies that will gain access to funds/ projects, and how can companies go about to be selected;*
2. *What entities are involved in the Steering Committee of each project (how/ where is this disclosed)?*
3. *How are Steering Committee members selected, and how can new members be included, in order to increase effectiveness and efficiency of designing/ implementing a project?*

Response 1.3.1: *The process of selecting companies that will gain access to funds/ projects, and how can companies go about to be selected;*

-

The demonstration enterprises participating in the Project were pre-selected through an open bidding process carried out in the PPG phase. All companies manufacturing mercury-containing thermometers and sphygmomanometers in China were given opportunity to submit application and offers to the project.

The Evaluation and selection criteria is specified in the online open bidding announcement and also released to all manufacturing enterprises through the industry association at the same time. The selection criteria and process are included: Enterprises interested in participating as a demonstration enterprise met the following minimum qualifications:

(a) Qualification: Enterprise must be an independent legal entity with no record of serious violation of laws and shall be mainly engaged in the research and development, production and sales of mercury-containing thermometers or sphygmomanometers;

(b) Environmental management: Mercury-containing waste gas and water shall be discharged after meeting relevant standards. Mercury-containing wastes shall be managed according to relevant requirements on hazardous waste management;

(c) Other requirement: Entity shall agree to cooperate in the testing, research and publicity activities during the duration of the project.

Demonstration enterprises selection process:

(a) Interested enterprises submitted their letter of intents and application materials according to the project requirements, bearing an official seal and accompanied by a certificate issued to prove that the information contained therein is true and reliable;

(b) Application evidence-materials included: (i) Business license (copy); (ii) Statement on no record of serious violation of laws; (iii) Registration certificates of mercury-containing medical devices (copy): the registration certificate shall remain valid for at least six months; otherwise, a certificate shall be provided for the extension of registration certificate; (iv) Production permit of medical devices (copy); (v) Business permit of medical devices (copy); (vi) Permit of pollutant emission (original or copy or record table, if any); (vii) Documents for project establishment, the EIA report and official replies or other relevant documents (including the production line, production capacity and other information pages); (viii) A letter of recommendation from the environmental protection department at provincial or municipality level (stating the basic information of enterprise, the supervisory monitoring report in 2019 and notes thereto, reason of recommendation, etc.).

(c) Based on application materials received, the Implementing Partner and an expert panel conducted formal examination of the submission and determined the candidates for participating in the demonstration activities.

Enterprises selection Criteria*:* The expert panel scored the applications on enterprise situation, phase-out objectives, anticipated demonstration output, technical route and fund use, and miscellaneous aspects to base their decision on the selection. The main criteria are:

(a) Favourable enterprise situation, including the enterprises? size, management measures of the enterprise for the prevention and control of mercury pollution, and its willingness for the provision of co-finance, including adherence to national laws on Labor Practices.

(b) Scientific and reasonable plan for phase-out objectives, including the discontinuation Plan on producing mercury-containing medical devices, reducing mercury consumption and mercury-containing products sales

plan, mercury-free alternatives R&D, production and promotion plan and so forth.

(c) Responsiveness between the anticipated demonstration output and the result framework of the project document, including the result of production phase-out and transformation, environmentally sound management of mercury, organization of or participation in training activities, promotion of gender equality and summary of demonstration experience and achievements.

(d) Scientific and reasonable technical route and fund use, including feasible technical route design, rational staffing, disciplines, and division of labor of the team and rational allocation of the project budget.

(e) Miscellaneous aspects which enabling the phase-out activities, including having work plan to conduct publicity and helping other enterprises to transform, and recommendation letter issued by local environmental protection department.

Response 1.3.2: *What entities are involved in the Steering Committee of each project (how/ where is this disclosed)?*

Response 1.3.3: *How are Steering Committee members selected, and how can new members be included, in order to increase effectiveness and efficiency of designing/ implementing a project?*

The composition of the Project Steering Committee (?Project Board? as used in the UNDP Project Document) is not a fixed one as it follows UNDP?s Programme and Project Management Policy (PPM) ? which is part of the Programme and Operational Policies and Procedures (POPP).

As general PPM Guidance, the entities involved in the Project Board are the ones that have roles and responsibilities in governing and managing the project and the ones that should be considering when establishing the Project Board.

As well, the ?beneficiaries? of the project can also take place in the Project Board in several forms, including as part of Technical/Advisory Groups and in the several consultation activities during the project implementation.

The composition of the Project Board is integral part of the Project Document (PRODOC), under Section VIII ?Governance and Management Arrangements? (page 50). The PRODOC is a public document, co-signed between UNDP and the Ministry of Ecology and Environment (MEE), and posted at UNDP?s website. Its disclosure is totally open and can be assessed included through the Grievances Redress Mechanism, first at Executing Partner level, secondly at UNDP level.

Therefore, the Project Board under this project has been proposed following extensive consultation process during the PPG Stage and takes into account all spectrum of stakeholders involved in it. The institutions to take part of the Project Board were already indicated in the PRODOC (page 53), while the Members (representing such institutions) will be nominated by them.

2.1. **Comment from USA**: *Project component 3 includes work to ?identify, monitor, and remediate mercury contaminated sites? with corresponding activities under Outputs 3.1 and 3.2. However, the remediation of contaminated sites has not been identified as a high priority under the Minamata Convention for funding under the GEF under the first (and only) round of GEF guidance from the Conference of the Parties. Although this is a relatively small part ($1.4 million) of a $16 million project, funding may be better spent on environmentally-sound and secure interim storage of mercury efforts. This would both ensure that funding is not diverted for use in other sectors and would be more aligned with the current guidance.*

Response 2.1: Outcome 3.1, Outputs 3.1 and 3.2 have been modified, the activities will include:

(i) develop guiding methodology, carry on investigation, collect data to establish inventory on mercury-contaminated sites including conducting risk assessment analysis; and

(ii) develop risk management strategy, technical guidance and training materials for the sound management of residual mercury stocks and obsolete mercury-containing medical thermometers and sphygmomanometers at production enterprises.

There will be no any remediation action on contaminated sites sponsored by the project, as the only activity will be limited to identify potential sites and defined guidelines on actions for remediation. The project will ensure that sound management of interim storage of mercury and mercury wastes in piloted production facilities are carried out by enterprises.

As suggested, a pilot to clean up interim storage at one project site will be carried out to test out the management strategy, technical guidance and training materials developed, to ensure its effectiveness as replication instruments. We respectfully refer to Component 3, Outcome 3.1, Outputs 3.1 and 3.2, Activities 3.1.1, 3.2.1 and 3.2.2 of the Project for more details.

2.2. **Comment from USA**: *Second, we strongly advocate for two key aspects to be addressed in the final proposal. While the project identifies demonstration projects and aid to manufacturers to find funding alternatives to transition out of production for mercury devices, it does not address what the expected uptake rate will be, nor how they will effectuate and/or monitor the transition amongst the manufacturers. Given clear deadlines articulated for phase-out in the document (2021 in the Minamata Convention, 2026 in China), knowing how much change to expect when will be important to judging the expectations and effectiveness of a funded project. Additionally, it would be helpful to understand how and when the different efforts identified in the proposal will be implemented, and what the synergies will be between them.*

Response 2.2: Demonstration of alternatives and Production Conversion:

We clarify that the annual mercury consumption of the demonstration enterprises participating in the project represent more than 60% (for mercury-containing thermometers) and 70% (for sphygmomanometers) of the total annual sector production output. The project targets to complete part of these activities by December 2024, when 30 metric tonnes of mercury will be phased out directly as result of the incremental intervention under Component 2 of GEF project as:

(i) assess the cost and various mercury-free technology options;

(ii) Promote R&D for alternative technologies, technical guidelines and adoption of international standard and improve calibration methods, carry on trials of production and product optimization and support the market of mercury-free alternatives (improve general public confidence in new products).

(iii) Carry on specific training to relevant staff, manager and other officials;

(iv) Define environmentally sound management plans for mercury stocks;

(v) Define guides for inventory of mercury contaminated sites and facilities in these plants

(vi) Develop preliminary plan for gender equality and mainstreaming activities in workplace and at management level.

The remaining consumption (approx. 40% and 30%) will be phased-out by 31 December 2025, as result of the ?real time? scale up/replication of the demonstration activities which will be initiated early in the beginning of 2023 as soon as some results of technology transformation, knowledge and implementation experience will be ready to be shared. Cost effective technologies will be promoted throughout this project to ensure engagement and awareness of the private sector stakeholders.

The National Replication will therefore have a three-year duration (2023-2025) to facilitate the achievement of complete phase-out by all producing enterprises by 31 December 2025, in addition to the fact that the National Medical Products Administration has issued Notice that production license of such mercury-containing medical devices shall not exceed 31 December 2025. For this, the activities promoted in Component 4 of the project (Knowledge Management and Awareness Raising) will be critical as to deploy Tools for Knowledge sharing developed and knowledge sharing activities facilitated on experiences about policy, technical knowledge and lessons learned for the project.

Disaggregated information on stakeholders activities and experiences under the project gathered and fed into the Monitoring and Evaluation processes of the Project. Therefore, the total industry ban of production of mercury-containing medical thermometers and sphygmomanometers will be achieved by the national deadline on 1 January 2026.

Mercury-free alternatives uptake by medical facilities and mercury disposal:

In parallel, in, at least, 6 piloted medical facilities, the project will promote the replacement of mercury-containing medical devices used at these facilities, the uptake of wider acceptance and correct application of mercury-free medical devices, and the sound management of chemicals at these facilities (under Components 2 and 3).

It is expected that, by the time of MTR, replacement of 30% of mercury-containing medical thermometers and sphygmomanometers will be achieved, with a 60% replacement rate to be reached at the end of the project in the selected facilities.

Synergies with Legal and Institutional Framework.

The Component 1 will be critical to support the Component 3 (mercury-containing devices replacement in medical facilities) directly, and the Component 2 indirectly, as it will create a Green Finance Framework for mercury-free devices procurement subsidization scheme for the medical facilities.

The Component 1 is also critical as it will promote the cross-ministerial cooperation and jointly develop and implement the necessary policy, regulations, tools, action plans and guidelines, in coordination with appropriate private sector partners, to phase-out the production and consumption of mercury-containing medical devices.

3.1. **Comment from Germany**: *Indicator 11: Germany kindly asks to clarify whether the number of beneficiaries includes the workers in the industry and the employees of the clinics, as the number seems very low for a project of this scope. Germany would recommend revising the number of beneficiaries and providing arguments as to how this number was achieved.*

Response 3.1: At PIF stage, the number of direct beneficiaries was indicated as 1,000 (700 female, 300 male) covering the technical, operational and management personnel at manufacturing enterprises (only).

For CEO endorsement, the number of direct beneficiaries (Core Indicator 1) has been revised to 300,000 (150,000 female and 150,000 male) as reflected in Section VI ? Project Results Framework as well as in Annex 11-0 GEF Core indicators (page 144, Core Indicator 11) of the Project Document.

Direct beneficiaries include:

(i) the technical, operational and management personnel at manufacturing enterprises (1,000): engaged through the demonstration activities of the pilot projects recipients environmental sound management training workshops.

(ii) The medical personnel at medical institutions (target of 399,000 personnel working in both the pilot facilities as well as the facilities that will be reached through the project replication and upscale activities): engaged through demonstration activities at medical institutions, recipients of technical assistance, training on use and calibration of alternative devices and awareness raising activities

3.2. **Comment from Germany**: *Germany strongly recommends including practical implementation pilots for proper mercury disposal in the final project document, possibly also for privately owned thermometers that must number 100s of millions in China. In Component 3, only strategies and guidance/technical materials for disposal are developed during the course of the proposed project. There is however no implementation of pilot facilities for disposal of mercury per the Minamata Convention.*

Response 3.2: China has established the ?Regulation on the Administration of Medical Wastes?, as part of the baseline project, that governs the collection, transportation, storage, disposal, supervision and management of medical wastes, including mercury-containing medical devices.
The disposal activities (which include collection and storage of mercury concerned, mercury waste handling, mercury waste transport and disposal and sustainable ESM of mercury waste will be supported by the project and were reflected in the CEO Endorsement Request.
In addition, in Component 3, the demonstration interventions also aim to train medical staff to correctly use mercury-free thermometers and sphygmomanometers and soundly manage obsolete mercury-containing medical thermometers and sphygmomanometers.
The outcomes of the demonstration activities (pilots) will be captured and shared in awareness and training materials and guidance documents for long term, post-GEF-funded project, and the replication process.

The risk management strategy and associated guidance developed by the project will serve as guidance for replication in the National Plan that can effectively link to the national strategies of disposal of mercury waste and interim storage of mercury that will cover public (medical facilities) and private owned (private facilities and households) aspects of the waste management of obsolete mercury-containing thermometers:

(i) Activity 2.2.5 under Project Component 2 will develop safe disposal management plan/strategy for mercury-containing medical thermometers and sphygmomanometers.

(ii) Activity 2.1.1 and Activity 3.3.1 under the Project Component 2 and 3 referring to the Minamata Convention?s Guidelines on the environmentally sound interim storage of mercury. A Spill Prevention and Management Plan will be developed and implemented at all demonstration sites for safe handling and disposal of mercury-containing obsolete devices and safely clean up of accidental mercury releases.

3.3. **Comment from Germany**: *Germany recommends including the lack of proper final disposal of mercury from the medical sector needs in the risk section of the project proposal.*

Response 3.3: This recommendation was included in the Project Component 3, Activity 3.3.1, which will also undertake a risk assessment and develop risk management plan at the pilot/demonstration facilities, and tackle issues related the safe handling and disposal of obsolete mercury-containing medical thermometers and sphygmomanometers in medical facilities, as follows:

(i) Activity 3.3.1: As part of the private sector risk assessment, the project will ensure the safe handling and/or disposal of residual mercury and obsolete devices and implementation of sound management on disposal, storage of mercury-containing medical devices, and mercury waste at both the manufacturing enterprises and the medical facilities. A Spill Prevention and Management Plan will be developed and implemented for safe handling and safely cleanup of accidental mercury releases.

In addition, UNDP Social and Environmental Screening Procedure has included the Risks #5, 6 and 8 that had foreseen Risk Mitigation Measures related to the handling and final disposal of mercury containing devices and mercury wastes:

(ii) Risk 5: Risk of release and worker/community exposure during decommissioning, transport and storage of waste mercury-related equipment, devices and elemental mercury in the course of the project

(iii) Risk 6: Risk of flooding of mercury device interim storage facilities

Risk 8: Resettlement or economic displacement or damage to agricultural lands indirectly resulting from the project?s identification of contaminated sites that require remediation in pilot sites through co-financed activities

STAP comments

Secretariat Comment at CEO Endorsement Request Comments have been addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request The status of the PPG utilization is included and acceptable.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Provided

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Please address comments in the review.

Oct 6, 2021 - Please address the comments on the budget and Council member comments

Oct 25, 2021 - The comment on the Council member comments has not been addressed.

Oct 26, 2021 - Please respond to outstanding comments.

Nov 4, 2021 - Comments addressed. Project is recommended for CEO Endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	**8/18/2021**	
Additional Review (as necessary)	**10/6/2021**	
Additional Review (as necessary)	**10/25/2021**	
Additional Review (as necessary)	**10/26/2021**	
Additional Review (as necessary)	**10/28/2021**	

CEO Recommendation

Brief reasoning for CEO Recommendations