

UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة



联合国环境规划署

PROJECT DOCUMENT

Sect	Section 1: Project Identification				
1.1 Project title:		Pilot Project on the Development of Mercury Inventory			
1.2	Project number:	in China GFL/ PMS:			
1.3	Project type:	MSP			
1.4	Trust Fund:	GEF			
1.5	Strategic Focal Area Objectives:				
	GEF strategic long-term objective:	Pilot sound ch reduction	nemicals manager	nent and mercury	
	Expected Outcomes:	mercury source	na's capacity for id es and priority acti under a future glo	ions to address	
1.6	UNEP priority:	Harmful substa	inces and hazardoi	us waste	
1.7	Geographical scope:	National			
1.8	Mode of execution:	External			
1.9 Project executing organization:		MEP-FECO: Foreign Economic Cooperation Office – Ministry of Environmental Protection of China			
1.10 Duration of project:		24 months Commencing: Completion:	01/10/2012 31/09/2014		
1.11	Cost of project		US\$	%	
	Cost to the GEF Trust Fund		1,000,000	24	
	Co-financing			76	
	CHN		1,200,000		
	UNEP		1,146,265		
	Norway		800,000		
Total			4,146,265	100	

1.12 Project summary

Due to its persistence, bioaccumulation and toxicity to human and wild life, as well as its long-range transport in the atmosphere, mercury has high attention in both the environmental science and the public policy sphere. Mercury can produce a range of adverse human health effects, including permanent damage to the nervous system, in particular the developing nervous system. As a big mercury producer and consumer, China produces about 700 tons of mercury every year, and its annual consumption is over 1,000 tons, accounting for 50 % of the world's total. In 2005, China's anthropogenic mercury emission to the atmosphere was about 700 tons, about 30 % of global emission. In China, almost all emission sources as listed in the ten categories and 44 sub-categories stipulated in the *Toolkit for Identification and Quantification of Mercury Releases* of UNEP can be found. It is assumed that the mercury pollution is large in scale and is caused by a wide range of sources including exploitation of mercury mining, power generation, steel and nonferrous metals production, cement production, chemical and other national pillar industries, among which coal firing, non-ferrous metals production and manufacturing of polyvinyl chloride (PVC) by the acetylene process are China's largest mercury sources.

This project will assist China to develop a detailed mercury releases inventory in two provinces, where mercury management is a priority. It will also assist China to develop a national mercury action plan to decrease mercury releases in the years to come. The project will also strengthen China's capacity for identification of mercury sources and priority actions to address mercury issues under a future global convention.

This project will select two provinces, *e.g.*, Guizhou and Hunan, as a model to carry out inventory development. These two provinces have initially been pre-selected because they are likely to have a large number of mercury sources. The province of Shaanxi will participate in the lessons learned and in the inventory and action plan training components of the project.

The project outputs will contribute to the UNEP priority area on *harmful substances and hazardous waste* under its *Medium Term Strategy* with the ultimate goal of minimizing the impact of harmful substances and hazardous waste to the environment and human beings. The project will also contribute to the Intergovernmental Negotiation Committee (INC) process and the development of the substantive paragraphs in the future legally binding instrument on mercury. The results of the project will also comprehensively promote mercury pollution control in China.

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ACRONYMS AND ABBREVIATIONS

ASC	Administrative Service Centre
CCICED	China Council for International Cooperation on Environment and Develop- ment
CPCIA	Chinese Petroleum and Chemical Industry Association
NDRC	National Development and Reform Commission
CEC	Chinese Electricity Commission
CNLI	China National Light Industry
CNMIA	China Non-ferrous Metals Industrial Association
DTIE	Division of Technology, Industry and Economics (of UNEP)
EA	Executing Agency
EPA	Environmental Protection Agency
FECO	Foreign Economic Cooperation Office
GC	UNEP Governing Council
GEF	Global Environment Facility
GLP	Good Laboratory Practices
IA	Implementing Agency
LOA	Letter of Agreement
M&E	Monitoring and Evaluation
MEP	Ministry of Environmental Protection (China)
MoF	Ministry of Finance
MIIT	Ministry of industry and Information Technology
MLR	Ministry of Land and Resources
MoCA	Ministry of Civil Affairs
MoU	Memorandum of Understanding
NDRC	National Development and Reform Commission
NEA	National Energy Administration
NPC	National Project Coordinator
NGO	Non-governmental Organization
NPMT	National Project Management Team
NSG	National Steering Groups
OECD	Organization for Economic Co-operation and Development
PIR	Project Implementation Review
PMOs	Project Management Offices
PSC	Project Steering Committee
PET	Project Expert Team
PTR	Project Terminal Report
PVC	Polyvinyl chloride
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS	Restriction of Hazardous Substances
SFDA	State Food and Drug Administration

SC	Stockholm Convention
Mercury Toolkit	Toolkit for identification and quantification of mercury releases
TORs	Terms of References
ТРТ	Technical Project Team
UNEP	United Nations Environment Programme
VCM	Vinyl chloride monomer

SECTION 2: BACKGROUND AND SITUATION ANALYSIS (BASELINE COURSE OF ACTION)

2.1. Background and context

- 1. Mercury is toxic in all its forms, exhibiting adverse health and environmental effects depending on the chemical species, dose received, exposure route and period of exposure. It is a potent neurotoxin and may result in nervous system disorders, reproductive and developmental problems, kidney and liver damage, and other health effects. Once released into the environment, mercury becomes part of a biogeochemical cycle contaminating soil, air, groundwater and surface water where it accumulates and moves up the food chain. In many countries, the average level of mercury in the atmosphere has increased several folds since the initial measurements, which is largely due to human activities. Therefore, to protect human health and the environment, mercury waste and waste containing mercury must be managed in an environmentally sound manner.
- 2. UNEP Governing Council (GC) decision 25/5, adopted in February 2009, requests the UNEP Executive Director to convene an intergovernmental negotiating committee with the mandate to prepare a global legally binding instrument on mercury. GC Decision 25/5 mandates the intergovernmental negotiating committee to develop a comprehensive and suitable approach to mercury, including provisions to increase knowledge through awareness-raising and scientific information exchange and to specify arrangements for capacity building and technical and financial assistance. Furthermore, GC Decision 25/5 requests UNEP Executive Director to coordinate, *inter alia*, the enhancement of national inventories on mercury and to raise public awareness and support risk communication.
- 3. The first meeting of the Intergovernmental Negotiating Committee (INC-1) took place on 7-11 June 2010 in Stockholm, Sweden. During that meeting country representatives indicated that effective implementation of a new global legally binding instrument would require capacity building and technical and financial assistance. The second meeting of the INC was held in Chiba, Japan, 24-28 January 2011. The central topic was the first reading of the so-called "elements paper", a text prepared by the Secretariat listing the main issues to be addressed in the future legal text. The third meeting was held in Nairobi, Kenya, , 31 October–4 November 2011. At this meeting, draft text of the future Minamata Convention was prepared by the Secretariat and the Bureau. Subsequently, the draft text was further discussed in several contact groups demonstrating that countries took over leadership. The fourth and fifth sessions of the INC are scheduled to take place in June 2012 in Punta del Este, Uruguay, and Geneva, Switzerland, in January 2013, respectively. The diplomatic conference is scheduled to take place in 2013 in Japan to adopt what delegates agreed should be called the Minamata Convention.
- 4. This project is in line with GEF Focal Area Strategy CHEM-3: Pilot sound chemicals management and mercury reduction. In China nearly all ten categories and 44 sub-categories sources of mercury releases , indicated in the *Toolkit for Identification and Quantification of Mercury Releases* of the UNEP Mercury Toolkit are present. It is assumed that main categories of releases in China to be considered in this project will include mining, power generation, manufacture of steel and non-ferrous metals, cement, chemicals and waste disposal.
- 5. This project is also in line with UNEP's Medium Term Strategy, especially focusing on priority 5 with the objective to minimize the impact of harmful substances and hazardous waste on the environment and human health. China is one of the largest producers and consumers of mercury in the world; therefore, dealing with mercury in China is considered as a priority with the potential to have significant global impact. This project will also provide the tools and means to prioritize mercury in the environmental agendas in all Chinese regions and across ministries. Through the experiences gained in the project input to the INC during the negotiation phase and after the diplomatic conference will also be given.
- 6. During INC-2, China presented the results of the project entitled "Capacity Building on Atmospheric Mercury Releases Control from Coal Combustion and Management in China". The results indicate that China's coal consumption from 2001 to 2008 have increased from less than 1.5 to more than 2.5 billion tons. Power generation has the biggest consumption rate of about 56%, fol-

lowed by iron and steel production sector – 15% and construction materials (13%). The estimated mercury releases from power plants in China are 108.6 tons for 2005. This information indicates that the power generation sector is a priority in China and as such will participate in this project.

- 7. This project will be organized around five outcomes and for the mercury inventory have a vertical component and a horizontal component: a) Vertical: Develop an inventory of mercury sources and releases using the UNEP Mercury Toolkit according to industrial sectors and geographical distribution starting with two provinces in China (Guizhou and Hunan), b) horizontal: undertake a nation-wide inventory for mercury releases from coal combustion and VCM manufacture; c) assess national capacity for the analysis of mercury in different media and data management; d) prioritize identified mercury sources, undertake a gaps analysis and develop an initial action plan; and e) summarize lessons learned from the inventory pilot project and develop a dissemination strategy.
- 8. This project will develop the first inventory project on mercury in China. Detailed inventory making at provincial level will provide training and experience useful in developing a full national inventory of mercury in China. The project will provide a preliminary baseline for China's national mercury pollution control and will build national management capacity.

2.2. Global significance

- 9. Mercury is a metal that occurs naturally and cannot be destroyed. It occurs in different forms and exhibits characteristics such as persistence in the environment and biota including humans, certain forms are bioaccumulative and can have a significant impact on human health and the environment. Mercury's inherent property of long-range transport makes it a global threat and a pollutant of global concern. The different uses of mercury and its unintentional release from anthropogenic sources require a concerted effort to manage mercury nationally and internationally. Inadequate management of mercury releases may result in an elevated risk for human health and the environment around the world.
- 10. China's efforts to reduce mercury use and release may be analysed within the context and magnitude that it represents at global scale. According to the 2005 data, China's annual consumption of mercury accounts for some 50% of the world's total; its anthropogenic emissions account for 30% of the world's total. According to the China Council for International Cooperation on Environment and Development¹, currently China is by far the world's largest producer, consumer and releaser of mercury. The intentional mercury use in China exceeds 1,000 tonnes annually, which accounts for about 50% of the world's total. Therefore, significant reduction of mercury releases in China may result in a significant reduction of mercury releases worldwide. Through this project China will develop a comprehensive assessment of mercury releases in two provinces and a preliminary assessment nationwide and will develop a detailed action plan to decrease mercury releases in main sectors involved in mercury management. This work will also allow China to incorporate mercury into appropriate national management system, to provide basic data and decision to further control measures.
- 11. This project will also support obligations and activities that might become relevant in the future legally binding instrument on mercury or at least are addressed by one of the eight Mercury Partnership areas. During INC-1, the committee was requested to report on the global situation of mercury management and to analyze the available data in relevant sectors (mercury source categories) at the national level.

2.3. Threats, root causes and barrier analysis

12. Exposure to mercury is a current problem in China. Mercury is still used in many products and processes all over the world, including in small-scale gold mining, manometers and thermometers, electrical switches, fluorescent lamps, dental amalgams, batteries and VCM (vinylchloride-monomer) production and some pharmaceuticals. The most significant mercury releases to the

¹ CCICED (2011), Special policy study on mercury management in China, Final report.

environment are releases to the air, but mercury is also released from sources directly to water and soil. Important emission sources include: coal-fired power generation, nonferrous metal smelting, waste incineration, cement, steel and chlor-alkali production, gold and other metals mining, cremation, landfills and other sources such as secondary smelting operations and industrial inorganic chemical production.

- 13. This project is implemented following the UNEP Governing Council Decision 25/5 to develop a legally binding instrument on mercury. China is an active partner in the negotiations process and the assessment of the global situation of mercury management is of prime interest under the GC mandate. To support country efforts to assess national management of mercury, UNEP has developed the *"Toolkit for Identification and Quantification of Mercury Releases"*. The UNEP Mercury Toolkit is designed to produce a simple and standardized methodology and accompanying database to enable assembly of consistent national and regional mercury inventories. It comprises a UNEP-recommended procedure for the effective compilation of source and release inventories of mercury. Comparable sets of mercury source release data will enhance international co-operation, discussion, goal-definition and assistance. China will apply the UNEP Mercury Toolkit for its release inventory and thus, produce comparable data. Further, the Toolkit-generated results are a first step in prioritizing actions to control or reduce releases. .
- 14. China uses about 50% of the mercury produced worldwide. However, it has not systematically and comprehensively analysed its releases. Current regulations and policies do not address mercury and monitoring activities adequately. Only limited coordination among different stakeholders has taken place and exposure to mercury has not been properly assessed. This project will enhance national efforts to address this situation and to prepare a plan to manage mercury releases in China and to support the international negotiations.
- 15. In order to promote mercury pollution prevention and control efforts and respond to negotiation of the mercury convention, China is taking active measures to deal with all aspects of mercury management such as establishing standard systems, pollution control planning and improving engineering, etc. However, there are still data gaps, Inventories need to be enhanced; and a lack of scientific data and regulatory frameworks related to mercury, etc. All of this makes mercury management in China a challenge.

2.4. Institutional, sectoral and policy context

- 16. In China, the *Ministry of Environmental Protection (MEP)* is responsible for coordinating all mercury activities. The Ministry of Environment will be the Executing Agency for this project. Industry associations, including the power generating sector, will be involved in the project and will work closely with the different stakeholders in the project.
- 17. In order to promote the control of mercury pollution, the Chinese government, through the *State Council*, issued *Guidance on the Strengthening Of Heavy Metal Pollution Prevention and Control Work* in 2009. The *Implementation Programs of Comprehensive Heavy Metal Pollution Treatment* established by the MEP in conjunction with the National *Development and Reform Commission* and other seven government departments has currently been adopted by the State Council. The heavy metal pollution prevention plan has entered into the phase of confirmation and implementation and focuses on arsenic, cadmium, chromium, lead, mercury and other heavy metals. It promotes overall pollution prevention of heavy metals from various aspects, the adjustment and optimization of the industrial structure, reinforcement of heavy metal pollution control, strengthening environmental law enforcement supervision, increasing financial and policy support, strengthening the promotion of R&D and demonstration activities, improving regulatory systems and standards, and assigning clear responsibilities and accountability.
- 18. For this project, vertical and horizontal approaches will be applied to develop inventories. The vertical approach will provide detailed and comprehensive inventories of two provinces whereas the horizontal approach will include a nation-wide assessment of two mercury-relevant activities, *i.e.*, mercury releases from coal combustion and use of mercury in vinyl chloride monomer manufacture (VCM).

19. The provinces selected for the vertical approach will be those where a range of mercury sources are present. These are Guizhou and Hunan. Guizhou lies in the south-western part of China; its area is 176,100 km² with a population of 34.7 mio. Hunan Provinced has an area of 211,800 km²; it is located in south-central China and has a population of more than 65 mio. According to present data and information, Guizhou and Hunan provinces are home for a wide range of industries that produce, use or release mercury. Hunan Province is home to a significant non.-ferrous metallurgical sector as well as to waste treatment industries. As such, these two provinces can provide more comprehensive reference and demonstration effect to the other provinces in China. In addition, both provinces have a relatively good basis of environmental management research and monitoring. For these reasons, they are pre-selected as sites for detailed inventory work in this project. Experiences gained in creating these detailed inventories will be used to replicate provincial inventories.

2.5. Stakeholder mapping and analysis

20. Relevant domestic stakeholders, international intergovernmental agencies, as well as potential bilateral donors, private sectors, NGOs, etc. Actors from the private sector will be informed about this project, invited to advise on its design and encouraged to be involved and co-fund some of the activities. They will be briefed on its implementation progress and impacts through a coordination mechanism. In addition, MEP-FECO will work closely with relevant ministries and commissions, local governments of provincial and municipal level, relevant domestic associations and institutes to integrate the project into the relevant policies, programs and investments activities. All these measures will ensure adequate and effective coordination as well as continuous information exchange among IAs, EAs, donors, and domestic stakeholders in China and to link to the broader national chemicals management agenda.

Name	Rating	Responsibility/expertise
Ministry of Envi- ronmental Protec- tion in China – For- eign Economic Cooperation Office (MEP-FECO)	High level of interest, high decision mak- ing power	As national executive agency for implementation of interna- tional environmental convention, the FECO is part of MEP and plans to be the responsible entity for coordinating the imple- mentation of the future Mercury Convention in China. The FECO will provide guidance to ensure the successful imple- mentation of the project, including regular monitoring and enforcement inspections, which will be the national executing agency (NEA) it will represent MEP in the management and completion of contracts for project implementation.
Research Institutes (e.g. 101 Research Institute)	High level of interest, low decision mak- ing power	The research institute, like 101 Research Institute of Ministry of Civil Affairs, is in charge of basic technical research duty for the sector, and has special experience for technology refor- mation and promotion. Support the project from technology evaluation, technical standards suggestion, BAT/BEP application, basic information investigation, etc.
China National Coal Association	High level of interest, low decision mak- ing power	China National Coal Association is a non-profit national social organization formed voluntarily by enterprises, public institu- tions, social groups and individuals in national coal industry. Its functions are to assess the feasibility (economic viability) of newly proposed coal enterprises, major investments, con- struction projects within the industry; conducting industry research entrusted by government departments; participating in the formulation and revision of the standards and norms of the industry, organization and promotion of their implemen- tation in member units.

China Petroleum and Chemistry Federation	High level of interest, me- dium decision making power	It is a national industrial business organization of Petroleum and Chemistry Federation in China, National comprehensive social intermediary organizations of service and certain man- agement function, unify internal industry power, represent China Petroleum and Chemical Industry externally, and strengthen cooperation and communication with foreign and overseas counterparts. Provide intra-industry organization, coordination and implementation for carrying out the inven- tory work of China's petrochemical industry.
China Non-ferrous Metals Industrial Association	High level of interest, me- dium decision making power	A community organization formed voluntarily by enterprises, institutions, social organizations and individual members in China non-ferrous metals industry, carry out industry survey and collection, collation, processing, analysis and industry information publication, put forward comments and sugges- tions for governments to formulate industry development planning, industrial policy, relevant laws and regulations, and assistant relevant governmental departments in development, revision and monitoring of national standards for the industry according to authorization and delegation of government de- partments.
China Medical De- vices Association	High level of interest, me- dium decision making power	It is an industry-based, non-profit community group formed jointly on a voluntary basis by units or individuals nationwide engaged in medical equipment production, management, re- search and development, product testing and educational training. The authority of it is the State-owned Assets Supervi- sion and Administration Commission with the State Council, while it is hosted by China Federation of Industrial Economics and accepts the operational guidance of the Ministry of Civil Affairs, the State Food and Drug Administration and other relevant departments. Features functions of launching inves- tigation and study on problems about medical device industry development and providing opinions and suggestions on poli- cy, legislation and other aspects, and the functions of conduct- ing industry statistics and collection, analysis and publication of industry information, and conducting industry consulta- tion; participating the publicity and promotion of national standards, industrial standards, quality specification, and conducting qualification management.
China Battery In- dustrial Associa- tion	High level of interest, me- dium decision making power	The competent authority of China Battery Industry Associa- tion is the State Commission for Economic and Trade and at the same time is under the management of Ministry of Civil Affairs and China National Light Industry. The function of Chi- na Battery Industry Association is: Put forward proposals on battery industry policies, draft development plans of the bat- tery industry and battery products standard , organize the evaluation of relevant research projects and technical trans- formation projects, conduct technical consultation, infor- mation statistics, information exchange and personnel train- ing, develop the market for the industry, organize China (in- ternational) exhibition fairs, and coordinate the issues in pro- duction, sale and export work. Strengthen self-management in the industry, provide services for the government and enter- prises through consultation, coordination, service and estab- lish and improve rules and agreement within the industry and play a role of bridge and link between the government and enterprises.

China Association of Light industry	High level of interest, me- dium decision making power	It is a national and comprehensive intermediary industrial organizations with services and management functions within China Light Industry, conducting industry statistics and collec- tion, analysis and publication of industry information, con- ducting industry research, put forward comments or sugges- tions on economic policies and legislations, participating in the formulation and revision of national standards and indus- try standards, and monitoring the implementation thereof.
Local government and related agen- cies and institu- tions	High level of interest, me- dium decision making power	Local governments are important supporters to carry out in- ventory surveys and demonstration province activities that may involve of relevant provincial authorities as local Envi- ronmental Protection Department, industry authorities and relevant and related research institutions or testing institu- tions etc.
Local industries associations	High level of interest, me- dium decision making power	Local industry associations will be important supporters to carrying out inventory survey and demonstration province activities that may involve of related mercury-involved indus- tries as coal, chemical industry, and light industry, medical and so on.
Civil Society repre- sentatives	High level of interest, low decision mak- ing power	Civil Society representatives will be important to raise aware- ness of the problem in the communities and in specific set- tings (e.g. a human settlement near a Hg storage place, or near contaminated sites) as well as groups presenting possible occupational exposure. The civil society representatives will be identified during project execution.

21. This project will engage relevant stakeholders assigning roles and responsibilities to each stakeholder within the context of the project. The Figure below shows the project management structure.

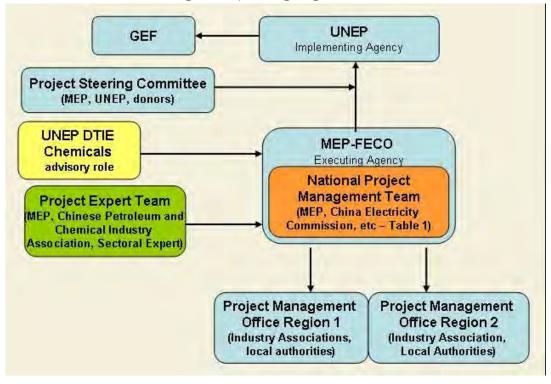


Fig. 2 Project Organigram

- 22. **UNEP** will be the **GEF Implementing Agency (IA)** for the project. A project focal point will be established within UNEP to advise and supervise the executing agency. This focal point will consist of core UNEP staff, supplemented by expert support from professional and support staff colleagues as needed, including in particular senior staff engaged in the management and coordination of UNEP's mercury program. UNEP will make these services available as part of its in-kind contribution to the project.
- 23. Foreign Economic Cooperation Office (FECO). The FECO is part of MEP and it is for coordinating China's participation and input into the mercury negotiations it is also in charge to execute activities related to mercury management. The FECO's responsibilities include: (i) provision of technical support for international negotiations and policy studies on the Mercury Convention, (ii) provision of support for development and implementation of mercury-related policy and regulations, as well as coordination of key governmental stakeholders, (iii) mobilization of cofinancing from international, bilateral, and national sources, (iv) collecting data and information, compiling reports, organizing training activities, and publishing information. The FECO will provide guidance to ensure the successful implementation of the project through regular monitoring and enforcement inspections, which is part of its role as the National Execution Agency for the project and will represent MEP in the management and completion of contracts for project implementation.
- 24. The **Project Steering Committee (PSC)** will include UNEP DTIE Chemicals, MEP-FECO and involved bilateral donors. The Project Steering Committee will meet back to back with technical meetings e.g. inception workshop and final workshop. It will assess progress made effectiveness of operations and technical outputs obtained against resources spent. It will also recommend actions for adaptation where necessary and will confirm implementation plans. The PSC will meet physically twice durig project implementation and once through teleconference.
- 25. **National Project Management Team (NPMT)** will be composed of staff from MEP, industries Association, research institutions and other relevant agencies (see Table 1). MEP will designate a coordinator/team leader. The Project Management Team will be responsible for the day-to-day management and execution of the project, and will oversee local project management offices. The NPMT's responsibilities will include (i) assignment and supervision of project activities; (ii) recruitment of national consultants; (iii) providing guidance to local Project Management Offices (PMOs); (iv) coordination with stakeholders, donors, the IA, relevant national agencies and the private sector; (v) preparation of terms of reference (TORs) for project activities, (vi) review of project progress reports submitted by two project management offices (PMOs), (vii) supervising project procurement and financial resources in accordance with UNEP procedures, (viii) organizing and convening project coordination stakeholder meetings, and (ix) review of project outputs. Detailed description of the work to be performed by the NPMT will be developed and provided during the project's inception workshop
- 26. **Project Expert Team (PET)**. The project will recruit national and where necessary international experts with expertise in: a) inventory development; b) manufacturing industries; and c) monitoring and analysis. Experts and technical personnel may originate from science and research institutions, local authorities, industrial association sand mercury-related enterprises, etc. These experts will form a Project Expert Team to assist the NPMT through the following activities:
 - i) Introduction of successful experiences gained from foreign countries;
 - ii) Management and coordination of all technical related project activities;
 - Provision of technical support for methodology, inventory policy framework, institutional strengthening, demonstration activities, technology selection, market promotion, awareness raising and education, results and experience dissemination, project monitoring and evaluation, replication program development, and project management;
 - iv) Periodic technical project implementation progress appraisal;
 - v) Support for development of training materials; and
 - vi) Liaison for international symposia and field research.

The Expert team will communicate regularly by email with the Executing Agency and their intervention will be funded either by national funds or GEF funding (especially the international experts). Detailed job description of the work to be performed by PET will be provided durting the inception workshop of the project

- 27. Local and Industrial Project Management Offices (PMOs). The project will involve many industries associations and local agencies at national, provincial, municipal levels. Extensive awareness promotion and training activities will be conducted at community and local governmental levels. Oversight for the implementation of relevant regulations will rely on local administrative agencies. The breadth of these activities poses a significant management and coordination challenge to the national Project Management Team. In order to effectively implement the project and fully involve local stakeholders:
 - 2 **provincial PMOs** will be established. The provincial PMOs will be composed of staff from relevant provincial governmental agencies. Their responsibilities include (i) management of the provincial level activities; (ii) oversight of municipal implementation; (iii) dissemination of the experience emanating from demonstration municipalities; and (iv) collecting information and preparing progress reports. Their specific responsibilities will be defined by the NPMT supported by the PET after the inception workshop.
 - 2 **industrial PMOs** will be established. The industrial PMOs will be composed of staff from relevant industrial associations. Their responsibilities include (i) management of the local level activities; (ii) oversight of local implementation; (iii) dissemination of the experience gained from inventory exercise; and (iv)collecting information and preparing progress reports. Their specific responsibilities will be defined by the NPMT supported by the PET after the inception workshop.
- 28. **Research Institutions**. The project will involve some research institutions in order to keep a close collaboration with the latest technology and science based knowledge on sound mercury management.

2.6. Baseline analysis and gaps

- 29. The Chinese Government has made considerable efforts in relation to the prevention and control of mercury pollution and the alternative options for mercury-containing products and processes with mercury. Some of these have proven to be successful. In 1995, the Chinese government issued the Standard for Mercury Free Battery (HJB Z009—95); in 1996, it suppressed small gold mining enterprises that use mercury in the mining process; in 1997, it issued the Regulations on Restricting Mercury Concentration in Battery Products; In 1999, it issued the Inventory on the Phasing Out and started to ban and phase out of out-of-date technology. In 2002, it established the principle of setting the import amount according to the use, total amount control and utilization in point sources; in 2004, the authority has introduced the permit system for the recycling of mercury waste; in 2005, it issued the Catalogue for the Guidance of Industrial Restructuring and strict control of the recycling and utilization of mercury containing waste to prevent secondary pollution. Any one who violates relevant regulations shall be subject to severe penalties according to the national legislation.
- 30. With regard to environmental standards, there are 18 mercury-related environmental standards in China mainly in environmental quality, product/food; however, the legal framework related to mercury monitoring, production, consumption, disposal and pollution control are sectorial, not integrated and not well established and operated In recent years, the Environmental Protection Department strengthened the management of mercury production, use, import, export and processing, focusing on mercury mining development. However, China has made big efforts to develop clean coal technology and new sources of energy, it has led to a decline of mercury pollution caused by power generation. Work has been carried out in mercury pollution control in China, however still remains a big gap between China and developed countries in terms of overall prevention and control of mercury pollution.

- 31. In 2011, the China Council for International Cooperation on Environment and Development (CCICED) published the final report on the Special Policy Study on Mercury Management in China. This report includes a preliminary analysis the mercury pollution prevention in the main sectors using mercury. These are: coal and fuel combustion, non-ferrous metal smelting industry, vinyl chloride monomer (VCM) and chlor-alkali. This project will conduct a detailed inventory of those sectors in two provinces and will also provide strategies and action plans for mercury management in the two provinces and nationwide.
- 32. The CCICED report² also indicates that certain sectors are considered as priority in China, such as the coal fired power plants and industrial boilers, non-ferrous metals smelting and VCM/PVC industry. According to the CCICED report, Coal-fired power plants in China consumed 1.33 billion tonnes of coal in 2007 (typical mercury content in the coal being burnt is 0.15-0.20 μ g/g, but there are large variations between regions and coal quality), thus accounting for 42% of national coal consumption. There are 550,000 industrial boilers in China. The total coal consumption associated with these was 930 million tonnes in 2007, accounting for 30% of the total consumption in China. Regarding the non-ferrous metal smelting sector, the emissions estimated by this sector in 2007 was 116 tonnes. Emissions from zinc smelting was the highest, estimated at 50 tonnes. The VCM/PVC industry has used between 570 and 940 tonnes of mercury annually in the recent years (from 2004 to 2011).
- 33. The Chinese Government believes that, in order to control mercury pollution at global level, the best approach is to use safe alternative technologies and products and to halt the manufacture, trade and consumption of mercury-containing products. However, there is no national consensus on mercury manufacture, consumption and releases data from each source and there is a huge shortage of understanding of the background information of mercury. To date, China has not conducted an exhaustive inventory on mercury releases. Furthermore, a detailed national action plan to decrease mercury releases has not been considered³; regulations were mostly developed to counter mercury releases on a case by case basis, with no integrated view of the problem.

2.7. Linkages with other GEF and non-GEF interventions

- 34. UNEP has developed the Standardized Toolkit on Identification and Quantification of Mercury Releases to develop national mercury inventories. UNEP/DTIE Chemicals Branch has applied this Toolkit in a number of countries and will assist China in the application of the Toolkit and provide guidance for several sectors and activities. With this respect, a similar approach as was undertaken with the UNEP Dioxin Toolkit will be followed. MEP-Feco had applied the Dioxin Toolkit and intends to use the Mercury *Toolkit for Identification and Quantification of Mercury Releases* in this project. The UNEP Mercury Toolkit will be applied in the horizontal and the vertical approach, *i.e.*, for the nationwide sectoral inventory and the detailed inventory for the two selected provinces, the Toolkit will also be used to carry out the surveys on mercury production, distribution, use, import, and export. Benefits from the inventories will not be restricted to prioritization of sources and options for pollutant reduction but also the first step in the establishment of mechanism for long-term statistics and monitoring. They will provide the basis for science-based management of the mercury issue and decision-making. The experiences on the application of the Toolkit in China will contribute to the further improvement and updating of the UNEP Toolkit, which is in line with the overall strategic thinking of GEF on Global mercury releases and control.
- 35. The United Nations Industrial Development Organization (UNIDO) will develop a GEF funded project to develop a detailed inventory and action plan on the non-metals ferrous production sector in China. UNIDO, as an active member of the UNEP's Global Mercury Partnership, coordinates mercury related actions with UNEP and will liaise with UNEP to identify common areas of work and to have a bigger impact in China.

² CCICED (2011), Special policy study on mercury management in China, Final report.

³ The CCICED report includes the elements that a national action plan on mercury reduction whould include and national goals to be considered in order to reduce mercury in China.

- 36. This project is the first GEF supported intervention on mercury in China. This project will take into account a number of bilateral activities that China has undertaken with its development partners and will integrate work of national institutions. Noteworthy in this regard are the following:
 - Starting in 2006, the Chinese Ministry of Environment Protection, in collaboration with the Norwegian Ministry of the Environment and the Italian Ministry for the Environment and Territory have carried out two projects on Mercury pollution prevention and control. These projects are the framework of the Sino-Norwegian cooperation, entitled: "Capacity-building to reduce mercury pollution in China Case Study in Guizhou" and the Sino-Italian cooperation project entitled "Capacity Building on Atmospheric Mercury Releases Control from Coal Combustion and Management in China". Preliminary results of these projects focus on the economic and environmental impacts, and emission reduction cost-benefit analysis of mercury pollution.
 - Domestic research institutions, including Tsinghua University, Peking University, Chinese Academy of Sciences and other universities and research institutes carried out a series of basic research projects related to mercury. These projects sought, *inter alia*, to characterize anthropogenic mercury releases, prepare atmospheric mercury releases inventory, develop fate models of atmospheric mercury transport, migration and transformation, elucidate concentration and species distribution of mercury in the environment, assess ecological and environmental impacts, evaluate mercury pollution control measures, and prepare economic analysis of key source control measures in China. This GEF project will take into account these activities and will attempt to integrate further studies to come.

SECTION 3: INTERVENTION STRATEGY (ALTERNATIVE)

3.1. Project rationale, policy conformity and expected global environmental benefits

- 37. In 2002, UNEP published the "Global Mercury Assessment" and therein compiled information on chemical and physical properties of mercury, toxicity, exposure, risk assessment and risk management options⁴. Mercury is toxic in all its forms, exhibiting adverse health and environmental effects depending on the chemical species, dose received, and period of exposure. It is a potent neurotoxin and may result in nervous system disorders, reproductive and developmental problems, kidney damage, and other health effects. Once released into the environment, mercury becomes part of a biogeochemical cycle contaminating soil, air, groundwater and surface water where it accumulates and moves up the food chain. The adverse effects of mercury and the need to act, are today well recognized as agreed in the UNEP GC Decisions.
- 38. At the national level, the State Council issued the Guidance on the Strengthening of Heavy Metal Pollution Prevention and Control Work in 2009. As a result, the Ministry of Environmental Protection in conjunction with the National Development and Reform Commission and other seven departments established a program of Comprehensive Heavy Metal Pollution Treatment. This programme has now been adopted by the State Council and has entered its implementation phase. The programme targets lead, mercury, cadmium, arsenic and chromium with overall focus on heavy metal pollution control. This project will reinforce national efforts to sound mercury management.
- 39. At the international level, in February 2009, the UNEP Governing Council through decision 25/5, requested UNEP Executive Director to convene an intergovernmental negotiating committee with the mandate to prepare a global legally binding instrument on mercury. The intergovernmental negotiating committee will develop, among others, provisions to increase knowledge through awareness-raising and scientific information exchange. GC Decision 25/5 also agreed that the negotiation committee develops a comprehensive and suitable approach to mercury, including provisions: To reduce the supply of mercury and enhance the capacity for its environmentally sound storage; to reduce the demand for mercury in products and processes; to reduce international

⁴ UNEP (2002) : Global Mercury Assessment, for download from

http://www.chem.unep.ch/mercury/Report/Final%20report/final-assessment-report-25nov02.pdf

trade in mercury. Further, decision 25/5 includes work under the UNEP Global Mercury partnership such as:

- (a) Enhancing capacity for mercury storage;
- (b) Reducing the supply of mercury from, for example, primary mercury mining;
- (c) Conducting awareness-raising and pilot projects in key countries to reduce mercury use in artisanal and small-scale gold mining;
- (d) Reducing mercury use in products and processes and raising awareness of mercury-free alternatives;
- (e) Providing information on best available techniques and best environmental practices and on the conversion of mercury-based processes to non-mercury based processes;
- (f) Enhancing development of national inventories on mercury;
- (g) Raising public awareness and supporting risk communication;
- (h) Providing information on the sound management of mercury.
- 40. As a result of the UNEP Governing Council Decision, China decided to develop this project to provide better understanding of the situation of mercury management at national level, to inform the INC negotiations, and to contribute to the update the *UNEP Toolkit for Identification and Quantification of Mercury Releases*.
- 41. In China, almost all of the eleven categories of emission sources will include more than 50 subcategories stipulated in the *Toolkit for Identification and Quantification of Mercury Releases by UNEP*, are likely to be present so that mercury release and pollution may be occurring in large quantities and from a wide range of sources. These sources include mining, power generation, steel production, nonferrous metals production, cement production, chemicals manufacture and waste disposal. The average level of mercury in the atmosphere has increased since the initial measurements, largely due to human activities⁵..
- 42. The project has selected two provinces, Guizhou and Hunan, and will further assess two important industrial sectors (coal combustion and VCM) and in combination with China's production and use of mercury will provide a good overview of the dimension of the mercury situation in China. The province of Shaanxi will participate in the training sessions on inventtory taking and in the lessons learned. This project will also carry out a demonstration research on inventory survey of intentional use and unintentional releases, improving the identification ability of priority actions to be taken in the mercury area, reducing the environmental exposure of mercury and thus protection of the environment and human health.
- 43. Thus, this project will generate significant local, regional and global benefits as follows:

Local benefits: it will allow China to improve national existing data on releases of mercury, develop inventory survey methods tailored to local situations, define the mercury production, use and consumption in typical areas, provide technical and management support to the establishment of local mercury pollution prevention plan and reduce mercury exposure. It will allow to replicate this experience in other provinces in the country, identifying good practices and replicable elements. This is particularly beneficial for other provinces as a main contribution towards the prevention and control of mercury pollution. It will also allow China to learn from international experiences and to assess which experiences can be applied nationally or which ones can be used as a reference. One of the first activities of this project will be to build a solid baseline in which international experiences will be gathered and made available nationally.

Global benefits: The development of an inventory and further action plan on mercury management will pave the ground for mercury reduction both in China and in the world. China is a relatively large mercury producer and consumer, the outcomes of this project will help to plan the decrease the mercury releases at the global scale. Actions towards mercury reduction in China will automatically have a global impact. It will also contribute to the work towards an international

⁵ The Global Atmospheric Mercury Assessment: Sources, Emissions and Transport. UNEP 2008 (also an INF document provided at INC2)

legally binding instrument on mercury, will identify lessons learned and share of information with countries with similar situations and will also contribute to the updating of the *Toolkit for Identification and Quantification of Mercury Releases, prepared by UNEP.*

3.2. Project goal and objective

44. The project will strengthen China's capacity for identification of mercury sources and priority actions to address mercury issues under a future global convention. So that to protect human health and the environment from the toxic exposure of mercury.

3.3. Project components and expected results

45. The project has five components, which consist of the activities as indicated below. Each component includes information on outcomes and outputs or actors as well as expected results.

Component 1: Initial guidance on mercury management indentified and baseline strengthened

- 46. The strengthening of the baseline information is also an activity that will allow to see where the information gaps are and what is needed for the project at the national and provincial level.
 - *Activity 1.1:* Develop a workplan, budget and project implementation monitoring plan for the project
 - *Activity 1.2:* Identify initial guidance materials

Expected Outcome:

Project baseline strengthened and information needs identified

Expected Outputs:

- 1. Project's workplan, budget and monitoring plan endorsed by stakeholders and available
- 2. Basic information on mercury management in China available to relevant stakeholders

Component 2: Development of mercury inventories by industrial sector and geographical distribution in China

- 47. The mercury inventories will be build on the results of the CCICED report and the national and provincial resources identified. China will use the UNEP *Toolkit for identification and quantification of mercury releases* (2011) to estimate the amount of mercury released to the environment from the main productive sectors. This project component will develop a detailed inventory in: a) two industrial sectors identified by stakeholders; b) two Chinese provinces. It will also develop a national mercury inventory on mercury releases.
 - *Activity 2.1:* Conduct mercury inventory in key industrial resources through consultations and national workshops (horizontal inventory)
 - *Activity 2.2:* Conduct a detailed inventory in two Chinese provinces (vertical inventory)

Expected Outcome:

Comprehensive information on mercury sources and releases in two provinces in China enables a better understanding and sound planning on mercury management

Expected Outputs:

- 1. Comprehensive overview of mercury management in the key industrial sectors identified
- 2. Quantitative and qualitative data on mercury releases available: Development of a detailed inventory in two provinces and semi-quantitative inventory nationwide

Component 3: Assessment and strengthening of existing monitoring capacity for mercury anal-

ysis in the environment and humans.

- 48. Monitoring of environmental and health impacts of mercury is crucial to understand the trends and historical impact of mercury in the population and the correlation between the use /release of mercury and the number of affected people and contaminated sites. These activities will assist China to better understand the local implications of mercury use and release. The project will not generate new data for mercury concentrations but will: a) identify the laboratories with the capacity to carry out mercury analysis; and b) collect information on ongoing and past researches and surveys of mercury. The results available will be compiled and assessed in order to establish the trends in mercury releases and use and the impacts on the population and the environment.
 - Activity 3.1: Identification of Hg labs in China able to analyse mercury and mercury compounds in the environment and biota; also in stack emissions or other technical matrices
 - Activity 3.2: Collection of mercury studies that contain analytical results from environmental and human samples from China including from provinces or through research projects

Expected Outcome:

Improved understanding of the presence of mercury in the environment and humans guides China to develop targeted mercury reduction strategies

Expected Outputs:

- 1. Report on national capacity for mercury analysis and database of laboratories able to perform mercury analysis
- 2. Collected data of good quality for mercury releases in the environment and biota from key sectors in China available

Component 4: Prioritization of mercury sources, mercury management gap analysis and initial action plan developed.

- 49. As indicated in the CCICED report⁶, there are a number of key sectors that make an intensive use/ and or release mercury to the environment. The identification of these key sectors and the establishment of criteria to address mercury issues at these key sectors will greatly assist China to develop detailed plans for mercury reduction. The action plan will identify short and long-term actions, as well as resources needed and players involved.
 - Activity 4.1: Development of criteria for prioritization of mercury sources
 - Activity 4.2: Development of a list containing priority mercury sources
 - *Activity 4.3:* Mercury management gap analysis and proposals to address these gaps
 - *Activity 4.4:* Identification of needs for environmental and human monitoring
 - Activity 4.5: Development of an initial action plan for mercury reduction

Expected Outcome:

Sound mercury action plan that addresses priority issues identified from increased knowledge of the sources of mercury releases, management gaps and monitoring needs

Expected outputs:

- 1. Scheme of criteria developed
- 2. Priority sectors and activities identified and developing mercury reduction plans
- 3. China addressing gaps identified in mercury management
- 4. Mercury monitoring system in place confirming in the long term mercury reduction in the environment and in humans
- 5. China medium and long term strategy to decrease mercury emissions according to the action plan developed

⁶ CCICED (2011), Special policy study on mercury management in China, Final report.

Component 5: Lessons learned, final report, and strategies for needs to reduce mercury

- 50. China has 33 provinces and each one with distinct realities and needs. This project will yield a series of lessons learned and recommendations to be taken into account by local and central authorities. The lessons learn document will assist other Chinese provinces (which are not the focus of this project) to better understand the scope and the conditions and steps necessary to perform a mercury inventory and a detailed action plan to reduce mercury emissions. Re-starting the process over and over, and with the insecurity of being successful, in other provinces will result in a waste of resources, specially when a methodology and key actions have been undertaken before and have proven to be successful. The results of this project and the lessons learned identified will be made available through UNEP's and MEP websites. This project component will also diffuse the results mainly, but not restricted to, through national, regional and provincial workshops and through the internet and in compliance with a agreed dissemination strategy. Activity 5.1, development of a final report on lessons learned that will include: a) mercury management prac*tices* at the provincial, sectoral level; b) *inventory taking experiences* from using the toolkit in the two selected provinces and other provinces; b) experiences on inventory taking in two key industrial sectors identified in the GEF project and other key sectors; d) experiences on the *development of action plans* on mercury management at the sectoral and provincial level. The identification of lessons learned will require the organization of a number of consultation workshops (5-8) at the sectoral and provincial level. The final outcome will be the production of a final lessons learned document that will include identification of good practices and recommendations on domestic approaches to improve inventories, in order to focus on key issues, and developing action plans based on the experience of the two GEF provinces and sectors and other sectors and provinces in China.
 - *Activity 5.1:* Development of a final report including lessons learned and future recommendations
 - Activity 5.2: Hold national workshop to discuss draft report, strategies and lessons learned
 - Activity 5.3: Finalize report and diffuse results
 - Activitiy 5.4: Implement a Monitoring and Evaluation Plan

Expected Outcomes:

Additional provinces able to participate in the national efforts to reduce mercury emissions in China triggered by the increased awareness and availability of mercury data

Expected outputs:

- 1. Final report including preliminary inventory, analytical capacity, and initial action plan for China
- 2. Lessons learned and recommendations requested in other provinces and countries
- 3. Suggestions for dissemination implemented and report disseminated in all provinces in China
- 4. Monitoring and evaluation plan fully implement assess rate of project's success

Project Management and Supervision

The management of the GEF project will imply a high level of coordination among stakeholders and other partners. A National Project Management Team (NPMT) will be established and will be in charge of project supervision and support for the project. It will be formed by MEP China, China Electricity Commission, etc, as indicated in table 1. MEP-FECO will provide Secretariat Services to the NPMT and will assign a Project team and project coordinator to fulfill this task. The NPMT will interact very closely with the Project Management Office from Region 1 and 2. The Project Expert Team will provide sound technical advice to the NPMT and to the National Coordinator. This is particular relevant to identify experiences from sectors identified and to support the development of training material for the project.

3.4. Intervention logic and key assumptions

- 51. China is making efforts to contribute to the mercury negotiations and to meet the requirements of the future international agreement. However, Chinese authorities in charge of the mercury pollution control and prevention are facing a big challenge since there is a lack of reliable and feasible method to estimate the real pollution, mainly due to the absence of integrated and reliable data. This project will help to better understand China's mercury production, application and releases. This project will also support government's efforts to establish and improve the management of mercury pollution in China.
- 52. During INC2, China presented the results of the project entitled: "Capacity Building on Atmospheric Mercury Releases Control from Coal Combustion and Management in China". The results indicate that China's coal consumption from 2001 to 2008 have increased from less than 1.5 to more than 2.5 billion tons. Power generation has the biggest consumption rate of about 56%, followed by iron and steel production sector 15% and construction materials (13%). The estimated mercury releases from power plants in China are 108.6 tons for 2005. This information indicates that the power generation sector is a priority in China and as such will participate in this project. The above mentioned project sets the basis for a more comprehensive inventory.
- 53. The inventory taking will be carried out according to the UNEP Toolkit. This will be complemented by the experiences of other developing countries and other valuable contributions available. These results will provide feedback to UNEP and to the countries participating in the mercury negotiations, through the provision of a revised toolkit and by sharing experiences.
- 54. Key assumptions are that mercury issues will continue being a priority in China and within the international community. Another key assumption is that the GEF and other key players on mercury continue to provide the same level of support to China and other countries, allowing a genuine exchange of information and reinforcing capacities towards the international mercury agreement.

3.5. Risk analysis and risk management measures

- 55. A project involving mercury inventory in key sectors includes negotiations at different levels and agreements or partnerships to ensure cooperation throughout the project. The development of a national action plan has obvious political risks, such as the lack of commitment of the ministries involved, change of the political agenda, etc. Finding the right way to communicate the activities, objective and the importance of the project will be developed with the participation of different industrial sectors. The project will work in close coordination with the relevant Ministries, provinces, industries and stakeholders and with the UNEP DTIE Chemicals.
- 56. Shipment of samples for mercury from sources to laboratories may imply some risks. The project will take into account existing standards and protocols regarding transportation of laboratory samples and will pay special attention to sound laboratory practices and safe handling of samples.
- 57. Timeframe for this project may be ambitious, it may appear too short. China has experience in GEF related projects and will make good use of this experience to accelerate processes that normally take some time, especially those processes related to the development of cooperation agreements and delivery of materials and consumables, as needed.

Risks	Mitigation measures		
Likelihood that key indus- trial sectors not willing to be involved in this project Low risk	This project will identify available methodology for mercury inventory survey in typical regions and industries in virtue of the requirements of the UNEP requirement and combining the unique situation of mercury- related industries. The partnership government-industry sectors will also represent a good foundation for the development of a participating plan for the application of mercury inventory Toolkit.		

Table 2: Summary of risks and mitigation measures

UNEP mercury inventory Toolkit not considered appropriate in unique situations in China Medium risk	This project will contribute to improvement of the mercury inventory Toolkit developed by UNEP, which will in turn be updated based on country experiences and in a range of situations.
Timeframe too short to deliver expected outputs Medium risk	Timeframe for this project will be managed with special attention. Na- tional stakeholders and partners participating in this project have suffi- cient experience in GEF projects and will make everything possible to avoid delays. However unexpected events may happen and national priorities may switch.
More cases of mercury contamination identified during project executing leading to communities reaction Medium risk	The project will deploy an intensive campaign to disseminate its activi- ties and objectives to the population and to target groups including prac- tical advice. Understanding the problem and working together with lo- cal authorities to find solutions will assist to avoid unexpected reactions from communities. Safe handling of mercury and prevention will be the main message to populations.
Government political support changes and Hg is not considered a na- tional priority Low risk	The project has already a strong political support and has the commit- ment of China to fully implement it. Change on national agenda will not affect the project, since commitment to it will be obtained very early in the project.

3.6. Consistency with national priorities or plans

- 58. Already during the negotiations for a legally binding instrument on mercury, the Chinese government has taken a series of effective and practical actions to reduce mercury usage and emission and have always been actively participating in relevant work concerning UNEP Global Mercury Partnership.
- 59. Furthermore, the Heavy Metals Pollution Prevention Plan will enter the phase of implementation, as one of important members of heavy metals, mercury is listed in the first group of pollution control with lead, cadmium, arsenic and chromium. China government will strengthen the management of mercury pollution resources through the implementation of the Plan.
- 60. The China Council for International Cooperation on Environment and Development (CCICED) carried out a *Special Policy Study of Mercury Management in China*. It focuses on mercury pollution and management measures, and offers recommendations for priority actions to reduce mercury release and use in China. These recommendations for priority actions are to: a) strengthen the management and regulatory systems to control the use of mercury and other heavy metals; b) establish ambitious but feasible targets for reduced use of mercury and reduced releases of mercury to the environment, drawing upon experiences of other countries; c) foster the development of closed-loop systems for the management of mercury as a resource to reduce and eventually eliminate the demand for new mercury in China. This project will address these recommendations and will incorporate concrete actions into the action plan to be developed on mercury management.
- 61. The United Nations Development Assistance Framework (UNDAF) for the People's Republic of China for 2011-2015 includes three main outcomes relevant to the implementation of this project:1) Government and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low carbon economy; 2) the poorest and most vulnerable increasingly participate in and benefit more equitably from China's social and economic development; and 3) China's enhanced participation in the global community brings wider mutual benefits.
- 62. In accordance with UNDAF outcome 3, China recognices that rural-urban income and gender disparities have grown sharply, and despite considerable policy effort the gap between eastern and

western provinces has not narrowed⁷ Reducing the gender inequalities and persistent gender gaps, in particular the growing rural-urban and inter-regional gaps in terms of income and access to basic health, education and water and sanitation services remains . Gender inequalities also persist and are in sore cases worsening as reflected and reinforced in the unbalanced sex ratio (for example, 120 boys for every 100 girls at birth in 2007)⁸ and the levels of women's participation and domestic violence. This project will encourage women's participation in the activities proposed and will ensure that vulnerable and minority groups are also well represented and will take part in the development of the action plan. UNEP will advice China on policy development and implementation in order to achieve the target outcomes of the UNDAF plan, as an example, under outcome 1, it is stated that "UNEP will assist China to provide policy advice and capacity building for: strengthening the institutional framework and mechanism for preparedness, prevention and response of environmental emergeny; and promoting the incorporation of environmental management into the medium and long-term rehabilitation process.

3.7. Incremental cost reasoning

63. Without the GEF support, China's mercury releases will not decrease and the development of a standardised inventory on mercury in China will not be possible. Each sector will make efforts by their own without an integrated approach. China would not be able to develop a mercury inventory using standardised methodology, UNEP Toolkit, if the international support is not provided. The development of a mercury inventory in China is considered as the basis for any future plan for mercury reduction.

3.8. Sustainability

- 64. China is actively participating in the INC negotiations and is ready to provide information to support the negotiations. China's political willingness to participate in international efforts to address mercury issues demonstrates the level of commitment of the government to international efforts to control mercury releases in the long-term.
- 65. China's plan to incorporate mercury management into the national chemicals regulatory scheme and current actions to implement the heavy metals plans will ensure the sustainability of this project at the national level. China's co-financing for this project and for the activities related to mercury management identified by this project but beyond its scope demonstrate the commitment and sustainability required for the medium and long term.

3.9. Replication

- 66. At the national level, detailed inventory work in two provinces will provide training and experience that will be replicated in other provinces. This project is the pioneer in the mercury inventory in pilot regions and industries in China and will serve as a basis for further studies or works involving mercury releases and mercury pollution control.
- 67. More broadly, this project will share China's experiences in using the UNEP Mercury Toolkit with other Parties. It will also allow China to identify and share with Parties lessons learned and to summarise experiences in one final report, to be made available to countries and to UNEP and GEF. Project outcomes will be presented in workshops organized by UNEP or GEF Secretariat and the Intergovernmental Negotiating Committee.

3.10. Public awareness, communications and mainstreaming strategy

68. China is a big mercury producer, user and emitter and express clear political attitude to global mercury issues. In order to support global actions for mercury management, China has attended the 1st and 2nd session of the INC to prepare a global legally binding instrument on mercury and is a member of its Bureau. The Chinese Delegation led by MEP and consisting of MOF, NDRC, MIIT, MLR, NEA, SFDA, CPCIA, CEC, CNMIA, government agencies of Beijing Municipalities, etc. attended

⁷ UNDAF for the People's republic of China, 2011-2015. Office of the United Nations Resident Coordinator in China, 2010.

⁸ National Bureau of Statistics, China Statistical Yearbook, 2008.

the sessions. This demonstrates the multi-stakeholder nature of the mercury management process in China. China understands the importance of dealing with mercury from different perspectives and in close cooperation.

- 69. The CCICED report also highlights the importance of public information, awareness and education on practical measures to reduce exposure to mercury and on the release of mercury, especially for those vulnerable populations, such as indigenous people, women, children and workers living close to industrial and mining activities⁹. This project will raise awareness at different levels of the society and will reduce the risk of mercury exposure through the identification of the threats posed by mercury in certain areas.
- 70. This project will engage stakeholders in order to reach the planned objectives. Activities at the country level will include an awareness-raising strategy and will involve NGOs and public participation in the project. Table 1 shows stakeholders participating in the project. Towards the end of the project, China may invite the media to highlight the achievements of the project, disseminate information on the hazards of mercury and the importance of mercury inventory survey, and publicize the lessons learned as well as project policy recommendations. National stakeholders will disseminate the information on the project to their peers and to the associated/partner organizations.
- 71. The general objective of the project is to strengthen China's capacity for identification of mercury sources and priority actions to address mercury issues under a future global convention. So that to protect human health and the environment from the toxic exposure of mercury. External communication will occur through the production and distribution of a "lessons learned and good practices document." This will be disseminated through internet websites and be available from IETC, BCRC, and Regional offices.
- 72. China's mercury regulation will take into account the results of the project and will consider it as a good basis to revise the current regulatory framework.

3.11. Environmental and social safeguards

- 73. Mercury identification and management during the inventory process will require careful attention, specially project staff and workers in close contact with mercury containing products. The project team in charge of the inventory in-site will use special equipment in order to avoid direct contact with mercury.
- 74. In terms of equal participation of women in a participatory process, the project will advocate for a sound representation of women and affected groups. Criteria to identify key issues on mercury management will include vulnerable groups, groups at risk and intake from foods.
- 75. Pregnant women and children are also more susceptible to mercury and heavy metals in general. Communities nearby mercury sources are more vulnerable to contamination, the project will advocate for a national regulatory framework targeting the protection of these two vulnerable groups.
- 76. This project will also ensure that minimum carbon emissions are generated, the communication through email and electronic means will replace as much as possible, physical circulation of documents. Travelling will also be restricted to the minimum necessary and most of the discussions will take place through electronic means (email, videoconference, etc). In line with key national outcomes indicated in the UNDAF report for China for 2011-2015, the project aims to assist China to address one of its national priorities and to decrease the release of mercury, therefore decreasing the number of exposed populations. Reducing human and environmental risk to mercury will comply with UNDAF outcome 1: Governments and other stakeholders ensure environmental sustainability, address climate change and promote a green, low carbon economy. This project will also support UNDAF outcome 3: China's enhanced participation in the global community brings wider mutual benefits; through this project China will be able to present the progress made and

⁹ CCICED (2011), Special policy study on mercury management in China, Final report.

preliminary results obtained to the INC participants and will be able to share this information with interested countries. The UNDAF China document highlights the important role of UNEP in strengthening national institutions and to ensure that adequate national coordination is in place.

SECTION 4: INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION ARRANGEMENTS

- **77.** This project will be implemented by UNEP and executed by the MEP-FECO in China.
- 78. As Implementing Agency, UNEP is responsible for overall project supervision, overseeing the project progress through the monitoring and evaluation of project activities and progress reports, including technical issues. Working in close collaboration with the Executing Agency (EA), UNEP will provide technical and administrative support to the EA.
- 79. As executing agency, MEP-FECO will execute, manage and be responsible for the project and its activities on a day-to-day basis. It will establish the necessary managerial and technical teams to execute the project. It will search for and hire any consultants necessary for technical activities and supervise their work. It will acquire equipment and monitor the project; in addition, it will organize independent audits in order to guarantee the proper use of GEF funds. Financial transactions, audits and reports will be carried out in accordance with national regulations and UNEP procedures. MEP-FECO will provide regular administrative, progress and financial reports to UNEP
- 80. A Project Steering Committee (PSC) will be created and it will meet at the beginning and the end of the project. This committee will be formed by donors, executing and implementation organisms (UNEP DTIE Chemicals, MEP FECO, Ministry of Finance, Ministry of Civil Affairs, donors) and other GEF implementation organisms. This committee will evaluate the progress of the project and will take the necessary measures to guarantee the fulfillment of the goals and objectives. It will meet twice during the project execution, at the beginning and at the end of the project. The meetings of the Steering Committee will be carried out in Chinese and English.
- 81. A **Project Team (PT) and Project Coordinator** will be established within the Executing Agency; this team will be in charge of the execution and management of the project and it will report to UNEP and to the Project Steering Committee; also, it will be composed by the expert from Ministry of Civil Affairs, the Project Coordinator, Technical Assistant and Management Assistant. MEP-FECO, the executing agency, will be supported by the National Project Management Team and the Project Expert Team.
- 82. The activities under this project will be facilitated by internal project communication with national and local government counterparts regarding the implementation of activities both at the national and local levels. The MEP Department of International Cooperation will be included in communication, ensuring coordination with the international negotiation process and inform the INC about progress. UNEP DTIE Chemicals Branch will be copied to ensure they are aware of activities being undertaken within the project and assist in technical matters if requested. UNEP will actively communicate with project partners on the progress of the project.

SECTION 5: STAKEHOLDER PARTICIPATION

- **83.** Key stakeholders and beneficiaries are Governmental Ministries and Agencies including research institutions, private institutions and industry associations. The main beneficiary is the Intergovernmental Negotiating Committee (INC). The international scientific community will benefit through field testing of the toolkit for mercury inventory, the governments will benefit through better insight into the issue of the mercury management in general, the private and industry sector will know how to reduce mercury releases and the status of mercury management in the facilities and the laboratories will be trained in the analysis of mercury. China will be able to provide significant input to the INC negotiations by providing national data on mercury inventories.
- 84. MEP or other related institutions of China will enhance its experiences in mercury monitoring and interpretation of data.

85. Indirect beneficiaries are the general public since for China it will be the first time that mercury inventory data will be generated in a systematic and comparable manner. Another set of beneficiaries are the countries participating in the mercury negotiations, through access to China's data and reports from this project.

SECTION 6: MONITORING AND EVALUATION PLAN

- 86. The project will follow UNEP standard monitoring, reporting and evaluation processes and procedures. Substantive and financial project reporting requirements are summarized in Appendix 2. Reporting requirements and templates are an integral part of the UNEP legal instrument to be signed by the executing agency and UNEP.
- 87. The project M&E plan is consistent with the GEF Monitoring and Evaluation policy. The Project Results Framework presented in Appendix 3 includes SMART indicators for each expected outcome as well as mid-term and end-of-project targets. These indicators along with the key deliverables and benchmarks included in Appendix 4 will be the main tools for assessing project implementation progress and whether project results are being achieved. The means of verification and the costs associated with obtaining the information to track the indicators are summarized in Appendix 5. Other M&E related costs are also presented in the Costed M&E Plan and are fully integrated in the overall project budget.
- 88. The M&E plan will be reviewed and revised as necessary during the project inception workshop to ensure project stakeholders understand their roles and responsibilities vis-à-vis project monitoring and evaluation. Indicators and their means of verification may also be fine-tuned at the inception workshop. Day-to-day project monitoring is the responsibility of the project management team but other project partners will have responsibilities to collect specific information to track the indicators. It is the responsibility of the Project Manager to inform UNEP of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely fashion.
- 89. The project Steering Committee will receive periodic reports on progress and will make recommendations to UNEP concerning the need to revise any aspects of the Results Framework or the M&E plan. Project oversight to ensure that the project meets UNEP and GEF policies and procedures is the responsibility to the Task Manager in UNEP/DTIE GEF coordination. The Task Manager will also review the quality of draft project outputs, provide feedback to the project partners, and establish peer review procedures to ensure adequate quality of scientific and technical outputs and publications.
- 90. At the time of project approval approximately 60 percent of general baseline data is available. Baseline data gaps will be addressed during the first year of project implementation. A plan for collecting the necessary baseline data is presented in Appendix 6.
- 91. Project supervision will take an adaptive management approach. The Task Manager will develop a project supervision plan at the inception of the project which will be communicated to the project partners during the inception workshop. The emphasis of the Task Manager supervision will be on outcome monitoring but without neglecting project financial management and implementation monitoring. Progress vis-à-vis delivering the agreed project global environmental benefits will be assessed with the Steering Committee at agreed intervals. Project risks and assumptions will be regularly monitored both by project partners and UNEP. Risk assessment and rating is an integral part of the Project Implementation Review (PIR). The quality of project monitoring and evaluation will also be reviewed and rated as part of the PIR. Key financial parameters will be monitored quarterly to ensure cost-effective use of financial resources.
- 92. A mid-term management review or evaluation will take place on Appendix 7 as indicated in the project workplan and timetable. The review will include all parameters recommended by the GEF Evaluation Office for terminal evaluations and will verify information gathered through the GEF tracking tools, as relevant. The review will be carried out using a participatory approach whereby parties that may benefit or be affected by the project will be consulted. Such parties were identi-

fied during the stakeholder analysis (see section 5 of the project document). The project Steering Committee will participate in the mid-term review and develop a management response to the evaluation recommendations along with an implementation plan. It is the responsibility of the UNEP Task Manager to monitor whether the agreed recommendations are being implemented.

- 93. An independent terminal evaluation will take place at the end of project implementation. The Evaluation and Oversight Unit (EOU) of UNEP will manage the terminal evaluation process. A review of the quality of the evaluation report will be done by EOU and submitted along with the report to the GEF Evaluation Office not later than 6 months after the completion of the evaluation. The standard terms of reference for the terminal evaluation are included in Appendix 8. These will be adjusted to the special needs of the project.
- 94. The GEF tracking tools are attached as Appendix 9. These will be updated at mid-term and at the end of the project and will be made available to the GEF Secretariat along with the project PIR report. As mentioned above the mid-term and terminal evaluation will verify the information of the tracking tool.

SECTION 7: PROJECT FINANCING AND BUDGET

7.1. Overall project budget

95. The following table shows the overall budget (GEF and co-finance) by activity. Reconciliation between GEF activities based budget and UNEP budget by expenditure code, total GEF and co finance and GEF finance only, please see Appendix 10 and Appendix 11.

Project Components	GEF	Co-finance	TOTAL
1. Initial guidance on mercury management inden- tified and baseline strengthened	65'000	1'146'265	1,211,265
1.1 Develop a workplan for the project	15'000	50'000	65'000
1.2 Identify initial guidance materials	50'000	1'096'265	1'146'265
2. Development of mercury inventories by indus- trial sector and geographical distribution	200'000	800'000	1'000'000
2.1 Identify key industrial sectors of relevance	80'000	300'000	380'000
2.2 Conduct a detailed inventory in two provinces	120'000	500'000	620'000
3. Assessment and strengthening of existing monitoring capacity for mercury analysis in the environment and humans	90'000	200'000	290'000
3.1 Identification of mercury labs in China able to analyse compounds containing mercury in the envi- ronment and biota	40'000	100'000	140'000
3.2 Collection of mercury results from environmental and human samples from Chinese provinces	50'000	100'000	150'000
4. Prioritization of mercury sources, gaps analysis and initial action plan developed	250'000	440'000	690'000
4.1 Development of criteria for prioritization of mercury sources	50'000	80'000	130'000
4.2 Development of priority list of mercury sources	60'000	100'000	160'000
4.3 Gap analysis on mercury management and pro- posals to address gaps	40'000	70'000	110'000

Table 3: Project budget by project component

4.4 Identification of needs for environmental and hu- man monitoring	30'000	95'000	125'000
4.5 Development of an initial action plan for mercury reduction	70'000	95'000	165'000
5. Lessons learned, final report, and strategies for needs to reduce mercury agreed	340'000	310'000	650'000
5.1 Development of a final report including lessons learned and future recommendations	155'000	140'000	295'000
5.2 Hold national workshop to discuss draft report, strategies and recommendations for future action plan	100'000	105'000	205'000
5.3 Finalization of report and diffusion of results	45'000	45'000	90'000
5.4 Implementation of a Monitoring and Evaluation plan	40'000	20'000	60'000
Project management and supervision	55'000	200'000	305'000
6.1 Project coordination	55'000	250'000	305'000
TOTAL	1'000'000	3'146'265	4'146'265

* This activity will be performed before the project officially start and costs have been distributed as part of activity 6, project monitoring and supervision

7.2. Project co-financing

96. The co-financing committed for the project includes signed pledges from national partners as well as from global partners. A summary of the secured co-financing for the project, please see Appendix 10. The co-financing commitment letters from project partner see Appendix11.

7.3. **Project cost-effectiveness**

- 97. This project will make sure that the outputs obtained can be replicated in other provinces in China and other countries with similar situations. The application and verification of mercury methodology by this project, feasibility study for inventory survey and experiences from pilot provinces and industries, the mercury inventory identified, the emission factors and monitoring developed, will be shared with interested countries and will be disseminated, to the extent possible, in international for a. This project will be cost effective by:
 - Enhancing an effective communication through the establishment of the National Steering Committee, Project Team and the NCICG;
 - Encouraging innovation and country driveness through the development of mercury inventory taking into account local and industrial characteristics of existing mercury resources;
 - Pilot experiences of inventory in China for mercury in typical regions and industries which could also be considered by other countries with similar complex situation like China;
 - Developing and verifying emission factors for the estimation of releases of mercury that can be used by other countries.
- 98. This project will make appropriate use of the existing infrastructure (laboratories with appropriate capacity needed, current coordination mechanisms, etc) and will consider previous work done regarding mercury. It will also coordinate closely with the UNEP to make the appropriate linkages in case another similar project is taking place in Asia or another region.

APPENDICES

Appendix 1:	Terms of Reference
Appendix 2:	Summary of reporting requirements and responsibilities
Appendix 3:	Results Framework
Appendix 4:	Key deliverables and benchmarks
Appendix 5:	Costed M&E plan
Appendix 6:	Incremental cost analysis
Appendix 7:	Workplan and timetable
Appendix 8:	Standard Terminal Evaluation TOR
Appendix 9:	Decision making flowchart and Organizational Chart
Appendix10:	Reconciliation between GEF activities based budget and UNEP budget by expenditure code (co-finance only)
Appendix 11:	Reconciliation between GEF activities based budget and UNEP budget by expenditure code (GEF finance only)
Appendix 12:	Co-financing commitment letters from project partners
Appendix 13:	Endorsement letters of GEF National Focal Points
Appendix 14:	Draft procurement plan

Appendix 1: Terms of Reference

Project Coordinator Terms of Reference Job Description

Project: Pilot project on the development of mercury inventory in ChinaPost title:Project CoordinatorDuration:24 MonthsDate Required:1 July 2012Duty station:Beijing, ChinaCounterpart:Foreign Economic Cooperation Office – Ministry of Environmental Protection in China (MEP-FECO)

Duties: Working within the MEP-FECO premises and with recruited experts, the Project Coordinator will be responsible for the supervision, coordination and execution, of the above mentioned project. The main duties are as follows:

	Main Duty	Output	Timing
1	Elaborate a detailed work plan and budget for the MSP project.	Work Plan and budget	For consideration at the 1 st meeting of the Steering Group
2	 Liaise with the parties participating and countries in the project and assist them to: Establish national coordinating mechanisms (NCCs) Link project activities to related sub-project institutions 	Terms of Reference for NCCs NCCs established and operational	At project start to provide na- tional representatives for the Steering Committee
3	Prepare, in consultation with MEP- FECO, and UNEP, draft Terms of Refer- ence for the experts to be contracted in the context of the MSP project	Draft Terms of Reference	For consideration at the 1 st meeting of the Steering Group
4	 Provide a secretariat function for the Project Steering Committee of the pro- ject including: Prepare necessary documents and logistics for the meetings of the Committee; Facilitate meetings, providing pro- gress and draft technical papers for consideration Prepare formal reports of meetings 	Meeting papers and Reports	Meetings of the Steering Com- mittee are envisaged at the in- ception and late stage (2 meet- ings) of the MSP implementa- tion. Exact timing to be deter- mined in the work plan.
5	Prepare, in conformity with the project document, periodic progress and finan- cial reports of the project	Progress and fi- nancial reports in UNEP format Terminal report of the MSP project	At the end of each semester Within 60 days of the end of the MSP project
6	Coordinate, in close collaboration with the UNEP DTIE, all activities under the MSP project, as stated in appendix 5 of the project document	Regular supervi- sion and coordina- tion	24 months

	Main Duty	Output	Timing
7	 Prepare in collaboration with UNEP DTIE recruited expert(s); to analyse the pilot provinces and industrial sectors; to review and develop mercury in- ventory methodology in the sur- veyed sectors; to develop methodology for mercu- ry inventory for pilot provinces and industrial sectors; 	analysis of the typ- ical provinces and industrial sectors; option of pilot provinces and sec- tors;	During the second year of the project
	 review the mercury inventory data from pilot area 		During the first year of the pro- ject
8	Conduct an intercalibration study for mercury inventory survey in China	Global report on the intercalibration study on mercury inventory	To be undertaken during the first year of the project
9.	Identify lessons learned and replicable elements to be disseminated with Par- ties to mercury inventory	lessons learned identified and shared with Parties	At month 19 of the project

Expected Outputs/ Outcomes

- Approved biennial and terminal progress and financial reports in UNEP formats as specified in the project document
- Terms of Reference for experts to be recruited for the project
- Terms of Reference for National Coordinating Committees linked to the project
- Coordination and final delivery of reports as stated in Appendix 8 of the Project document
- Terminal report to UNEP
- Final written outputs will be required in English.

Reporting

The Coordinator will report to UNEP DTIE, Steering Committee, Partner countries and SSC.

Qualifications

At least 7 years experience with proven records as project coordinator in the field of heavy metals releases.

Expert knowledgeable on the following matters:

- Knowledge of analysis of mercury management or research;
- Knowledge of good practices to mercury and experience in setting up a coordination mechanism for mercury management;
- Familiarity with the Toolkit for Identification and Quantification of Mercury Releases and mercury Convention papers (including COP decisions);
- Familiarity with the regulation and standards of the mercury;
- Familiarity with the mercury processes and available technologies.

Language:

Excellent command of spoken and written English

Background

The duties and tasks of the Coordinator as set out above are derived from the project document approved by the GEF.

Appendix 2: Summary of reporting requirements and responsibilities

- 1. Day-to-day management and monitoring of project activities will be the responsibility of the Executing Agency (MEP-FECO).
- 2. During the course of the project, the Executing Agency teams will be responsible for the preparation of regular progress reports (financial and technical) and for the preparation of forward plans and budgetary estimation. The timely preparation and submission of mandatory report forms are integral part of the monitoring process. Reporting requirements are summarized below:

Report and Content	Format	Timing	Responsibility
Inception report		0	1 7
Detailed implementation plan for progress monitoring	Agreed format allowing pro- gress tracking	Following in- ception work- shops	MEP-FECO UNEP
Technical Progress reports			
Documents progress & completion of activities; Describes progress against annual work plan; Reviews implementation plans, summarizes problems and adaptive management; Provides activity plans for following period; Provides project outputs for review	UNEP Progress Reporting For- mats;	Biennial, with- in 30 days of each reporting period	MEP-FECO UNEP
Financial Progress Reports			
Documents project expenditure according to established project budget and allocations; Provides budgetary plans for following reporting period; Requests further cash transfers; Requests budget revision as necessary; Provides inventory of non-expendable equipment procured for project	UNEP Financial reporting for- mats; Inventory of non-expendable equipment	Biennial, with- in 30 days of each reporting period	MEP-FECO UNEP
Financial Audit			
Audit of project accounts and records	Approved audit report format	At project completion	MEP-FECO UNEP
Co-financing report			
Reports co-financing provided to the project; Reviews co-financing inputs against GEF approved financ- ing plan	UNEP reporting format	Annual	MEP-FECO UNEP
Project Implementation Review (PIR) reports			
Summary implementation review	GEF M&E format	Annual	MEP-FECO UNEP
Terminal report			
Review of effectiveness of the project, its technical outputs, lessons learned and progress towards outcomes	UNEP reporting format	At project completion	MEP-FECO UNEP
Terminal Evaluation			
Provides detailed independent evaluation of project man- agement, actions, outputs and impacts	GEF M&E format	At project completion	Independent Evaluator UNEP

Summary of Reporting Requirements and project monitoring

- 3. The *Inception report* will include a detailed narrative on the institutional roles and responsibilities of the project partners, identify stakeholder engagement commitments developed during the inception workshops, set out progress on project establishment and start-up activities, provide a detailed implementation plan suitable for progress tracking purposes. The report will be submitted by MEP-FECO to UNEP-GEF and used as a benchmark against which regular progress reports are reviewed.
- 4. *Technical Progress reports* will be prepared by the project coordinator in MEP-FECO in English within 30 days of the end of each semester. Reports will be prepared using the standard UNEP format. These reports form the principal tools of regular project monitoring and will contain:
 - an account of actual implementation activities undertaken during the reporting period and an assessment of progress against the implementation plan;
 - an identification of barriers to project implementation and recommendations for corrective actions during the following period, including any revision to the implementation plan;
 - a detailed and costed work plan for the following reporting period, including a forward project of the status of funds held locally and, when necessary, a request for further cash transfers to the project;
 - an updated inventory of non-expendable equipment and items of attraction procured for the project;
 - copies of project meeting reports and participants lists, technical outputs submitted to the project team.
- 5. *Financial progress reports (Project Expenditure Accounts)*: will be prepared by the Executing Agency within 30 days of the end of each semester. Reports will be prepared in US\$ using the project budget codes and in the standard UNEP format. They will contain an account of actual expenditure in support of the activities undertaken. The reports will be approved by a duly authorized official of MEP-FECO and submitted to UNEP-GEF.
- 6. A *terminal financial audit, if applicable,* is required within 180 days of the completion of the project. MEP-FECO will supply UNEP with a final statement of account in the same format as for the periodic financial statements, certified by a recognized firm of public accountants. If requested, MEP-FECO shall facilitate an audit by the United Nations Board of Auditors and/or the Audit Service of the accounts of the Project. In particular, the auditors should be asked to report whether, in their opinion:
 - Proper books of account and records have been maintained;
 - All project expenditures are supported by vouchers and adequate documentation;
 - Expenditures have been incurred in accordance with the objectives outlined in the project document;
 - The Expenditure reports provide a fair view of the financial condition and performance of the project.
- 7. **Unspent funds:** Any portion of cash advances remaining unspent or uncommitted by MEP-FECO on completion of the project will be reimbursed to UNEP within one month of the presentation of the final statement of accounts. In the event of any delay in such reimbursement, MEP-FECO will be financially responsible for any adverse movement in the exchange rates.
- 8. *Co-finance report*: The Executing Agency will report annually on the co-finance received and used to advance the project activities. The report will show:
 - The amount of co-financing realized compared with the amount of co-financing committed to at the time of project approval, and
 - Co-financing reporting by source and by type¹⁰.

Sources include the agency's own co-financing, government co-financing and contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector, and beneficiaries. Types of co-finance include Cash (grants, loans, credits, and equity investments) and In-Kind resources (limited to those dedicated uniquely to this project and valued as the lesser of the cost and the market value of the required inputs they provide for the project and monitored with documentation available for any evaluation or project audit.

- 9. **Project Implementation Review (PIR)** will be prepared by the project coordinator in English at the end of each 12 month period of project implementation. The PIR is an annual monitoring process mandated by the GEF and for which the independent GEF M&E unit provides the scope and content. Individual PIRs are collected, reviewed and analyzed by UNEP-GEF by focal area, theme and region to extract common issues, lessons learned and good practices. Focal area PIRs are discussed at the GEF Interagency Focal Area Task Forces with consolidated reports by focal area then being transferred to the independent GEF M&E unit.
- 10. The *Terminal Report* is prepared by the Executing Agency in English immediately within the 60 days following the end of project implementation. It is submitted to UNEP-GEF, to the Chief, Budget and Financial Management Service, and to the Chief, Programme Coordination and Management Unit. It provides a review of the effective operation of the project and of its achievements in reaching its designed outputs. The report will set out lessons learned during the project and assesses the likelihood of the project achieving its design outcomes. It provides a basis for the independent *Terminal Evaluation* of the project. This evaluation reviews the impact and effectiveness of the project, the sustainability of results and whether the project has achieved its immediate, development and global objectives. Indicators for the evaluation of the effective operation of the project are given in the table below:

Indicator	Means of verification
Biennial progress and financial reports and annual PIR prepared in a timely and satisfactory manner	Arrival of reports at UNEP
Performance targets, outputs, and outcomes are achieved as specified in the implementation plan and any agreed revisions to it	Progress reports
Deviations from the implementation plans are corrected promptly and appropriately.	Work plans, minutes of MEP-FECO meet- ings
Biennial financial reports are timely and accurate	Arrival of reports at UNEP
Disbursements are made on a timely basis	IMIS system of UNEP and Bank state- ments of national executing agency
Procurement is achieved according to procurement plan and reflected in non-expendable equipment inventory	Progress reports
Requests for deviations from approved budgets are sub- mitted in timely manner	Timely submission of revised budget to UNEP for approval
Audit reports and other reviews showing sound financial practices	Audit reports

Indicators for evaluation of effective operation of the project

Strategy Narrative	Indicator	Units	Baseline	Mid-Term Target	End of Project Target	Sources of verifi- cation	Risks and Assump- tions		
Project Goal: To protect human health and the environment from the toxic exposure of mercury by phasing out mercury									
Project Objective: The p	Project Objective: The purpose of this project is to strengthen China's capacity for identification of mercury sources and priority actions to address under a future global convention								
The strengthening of the baseline information is also an activity that will allow to see where the information gaps are and what is needed for the project at the national and provincial level.	Initial guidance on mercury identified and baseline strengthened	NA	 Workplan outlined in project document; budget needs to be transferred into reality Guidance materials scattered or incomplete 	 Endorsed workplan and budget (at inception workshop). Baseline materials identified and available 	• Budget spent according to workplan and timetable	 Workplan and budget endorsed Initial guidance identified and available 	Chinese organizations and institutions willing to cooperate, financial and human resources available		
China will use the UNEP Toolkit for identification and quantification of mer- cury releases (2011) to estimate the amount of mercury released to the environment from the main productive sectors. This project component will develop a detailed inventory in: a) two in- dustrial sectors identified by stakeholders; b) two Chinese provinces. It will also develop a national mercury inventory on mercury releases.	Number of sectors and prov- inces to be considered in the mercury inventory survey	# of sectors to participate in the nation- wide invento- ry work# of provinces fully invento- ried	 2 productive sector (coal and VCM) having initial assessment 0 provinces Initial information available in CCICED 2011 report 	 2 productive sectors bought into project nation- wide 2 provinces selected and willing to undertake detailed inventory 	 2 productive sectors assessed quantitatively nation- wide 2 provinces having detailed inventory 	 Sectoral inventories available through internet access National and provincial mercury inventories available 	 Mercury mining. Power generation, steel and non-metals ferrous production, cement production, production and manufacturing of PVC sectors agree to participate in the inventory work Commitment from provinces to participate in the inventory work is maintained 		
These activities will assist China to better under- stand the local implica- tions of mercury use and release. The project will not generate new data for mercury concentrations but will: a) identify the laboratories with the capacity to carry out mer-	Number of national laborato- ries' capacity assessed con- cerning the analysis of mer- cury Number of provinces or in- stitutions providing data sets for mercury monitoring in humans and the environ- ment Number of measurement or	# of laborato- ries# of provinces or institutions# of datasets	 0 laboratories identified 0 provinces provinces or institutions 0 datasets registered at national coordinating institution (MEP) 	 10 laboratories 10 provinces or 3 institutions (<i>e.g.</i>, environment, health, industry sector or academic research insitutions) At least 5 datasets or monitoring programs known to the coordinator 	 30 laboratories analyzing at least one matrix 30 provinces or 5 types of institutions At least 10 datasets or monitoring activites known to the national coordination 	 Data bank on mercury laboratories available through UNEP website Environmental and human monitoring data from Chinea 	 Laboratories willing to participate. Central and local governments, academic and private institutions willing to provide existing data 		

Appendix 3: Results Framework

Strategy Narrative	Indicator	Units	Baseline	Mid-Term Target	End of Project Target	Sources of verification	Risks and Assump- tions
cury analysis; and b) col- lect information on ongo- ing and past researches and surveys of mercury. The results available will be compiled and assessed in order to establish the trends in mercury releas- es and use and the im- pacts on the population and the environment.	monitoring programs or pro- jects				unit	available	
As indicated in the CCICED report ¹¹ , there are a number of key sectors that make an intensive use/ and or release mer- cury to the environment. The identification of these key sectors and the estab- lishment of criteria to address mercury issues will greatly assist China to develop detailed plans for mercury reduction. The action plan will identify short and long-term ac- tions, as well as resources needed and players in- volved.	Number of mercury sources identified according to priori- ty list and number of action plans developed	# of mercury sources on priority list # of action plans	 0 priority sources 0 action plans Initial information available in CCICED 2011 report 	 3 priority sources 0 action plans	 5 priority sources 2 action plans (per province) + 1 national action plan 	 National priority for mercury sources report available through UNEP's website Action plans available at MEP website 	 All stakeholders participate in the priority setting exercise and action planning development. Adoption of action plan may take years, therefore early participation of actors may facilitate the development and adoption of action plans
This project will identify learned and recommenda- tions to be taken into account by local and cen- tral authorities. The les- sons learn document will assist other Chinese prov- inces to better understand the scope and the condi- tions and steps necessary to perform a mercury	Number of sectors identify- ing lessons learned on mer- cury inventory and action plan	# of sectors	0 sectors have identified lessons learned	• 3 sectors	• 5 sectors	• Lessons learned report available through the UNEP website	• Participation of all sectors involved essential

¹¹ CCICED (2011), Special policy study on mercury management in China, Final report.

Strategy Narrative	Indicator	Units	Baseline	Mid-Term Target	End of Project Target	Sources of verification	Risks and Assump- tions
inventory and a detailed action plan to reduce mercury emissions. Re- starting the process over and over, and with the insecurity of being suc- cessful, in other provinces will result in a waste of resources, especially when a methodology and key actions have been undertaken before and have proven to be suc- cessful.							
Outcome 1: Project base	eline strengthened and inform	ation needs ident	tified				
	1.1 Work plan, budget and monitoring and evaluation plan endorsed	NA	Workplan, budget and mon- itoring and evaluation plan from the prodoc to serve as starting point	Workplan and budget en- dorsed by all stakeholders at inception workshop.	Workplan, budget and monitoring and eval- uation plan used to measure success of project and achieve- ment of objectives.	Endorsed workplan and budget. Monitoring and evaluation reports (e.g. terminal re- port) available	Delays in project ex- ecu-tion due to admin- istrative procedures. New emerging issues during project develop- pment triggers to re- vise workplan and budget and to set new objectives.
	1.2 Initial guidance materials identified	NA	Only scattered reports and publications • Initial information available in CCICED 2011 report	Basic guidance materials collected and available for project use	Full set of guidance materials developed or used	Guidance materials identified available	Chinese government and local provinces and research institutes ready to participate
Outcome 2: Comprehensive information on mercury sources and releases in two provinces in China enables a better understanding and sound planning on mercury management							
	2.1 Number of key industrial sectors identified through consultations including a na- tional workshop	 # of key indus- trial sectors # of provinces conducting a mercury in- ventory in two 	0 industrial sectors identi- fied 0 provinces have per- formed a detailed mercury inventory Initial information available in CCICED 2011 report	2 industrial sectors identified 10 provinces	2 industrial sectors identified among the priority industrial sectors 33 provinces	Sectoral inventories available through the internet	• Mercury mining. Power generation, steel and non-metals ferrous production, cement production, production and manufacturing of PVC sectors agree to

Strategy Narrative	Indicator	Units	Baseline	Mid-Term Target	End of Project Target	Sources of verification	Risks and Assump- tions
		key industrial sectors					participate in the inventory work
	2.2 Number of Chinese prov- inces conducted detailed mercury inventory	# of provinces # of sectors inventoried in two provinces	0 provinces 0 sectors	1 province 2 sectors	2 provinces + 1 Na- tional inventory At least 8 sectors	National and pro- vincial mercury in- ventories available	Commitment from provinces to partici- pate in the inventory work is maintained
Outcome 3: Improved un	nderstanding of the presence	of mercury in the	environment and humans g	uides China to develop targe	eted mercury reduction	strategies	
	3.1 Number of national la- boratories recognised and able to perform mercury analysis	# of national laboratories recognised	National mercury laborato- ries exists but information is not aggregated (labora- tories database)	10	30	 Questionnaire for mercury laboratory assessment available Databank of operation al mercury laboratories published and accessible 	 National laboratories willing to cooperate Central and local government willing to provide existing data High quality data available
	3.2 Number of studies providing data sets results on environmental and human samples	# of studies providing data set results	Existing data from different monitoring projectd and programs not centrally available	10	30	Environmental and human monitoring data from China available	
Outcome 4: Sound merc	ury action plan that addresses	priority issues id	entified from increased kno	wledge of the sources of me	rcury releases, managen	nent gaps and monitor	ring needs
	4.1 Criteria for prioritization of mercury sources	NA	No previous criteria for prioritization developed	Draft list of priority sources	Report containing criteria for mercury prioritization estab- lished	Report on criteria on mercury sources available	Sufficient information of good quality available
	4.2Number of priority mercu- ry sources by sector and province	# of priority sectors identi- fied	2 Initial information available in CCICED 2011 report	3	5	National priority for mercury sources report available through UNEP's website	All stakeholders partici- pate in the priority setting exercise and action planning devel- opment.
	4.3 Number of sectors being assessed for mercury man- agement gaps and proposals	# of sectors identifying mercury man-	No analysis of mercury management developed	3	5	Report on mercury management gaps assessment and	Key sectors willing to cooperate

Strategy Narrative	Indicator	Units	Baseline	Mid-Term Target	End of Project Target	Sources of verification	Risks and Assump- tions
	to address them	agement gaps				proposed actions by key sector available at UNEP's website	
	4.4 Assessment and identifi- cation of needs for environ- mental and human mercury monitoring	NA	No coherent plan for mer- cury monitoring of humans and environment existing	Agreed (by stakeholders) to monitor mercury at priority sites (issues)	Long/mid-term plan for monitoring of mer- cury in humans or the environment or at sources established	Report on baseline data for environ- mental and human samples published	Suitable experts to write the environmental and human health monitor- ing identified
	4.5 Number of action plans for mercury reduction devel- oped	# of action plans	0 Initial information available in CCICED 2011 report	1	2 action plans (per province) + 1 national action plan	Action plans for mercury manage- ment available	Agreement on action plan development among stakeholders
Outcome 5: Additional p	rovinces able to participate in	the national effor	ts to reduce mercury emission	ons in China triggered by the	increased awareness a	nd availability of mercu	ıry data
	5.1 Number of consultation workshops to discuss the outcomes of the national exercise to identify lessons learned, good practices and recommendations on:(a) mercury management prac- tices; (b) inventory taking; and (c) action plan develop- ment	# of consulta- tion workshop	No previous consultations available	3	At least 5 workshops	Draft final report on lessons learned and good practices , in- cluding recommen- dations, on mercury management, inven- tory taking and ac- tion plan develop- ment	 Cooperation and participation of all stakeholders Timelines realistic and achievable Financial resources available sufficient
	5.2 Number of workshops to discuss draft report, strate- gies and lessons learned	# of workshops	0	0	1	Report from national workshop	
	5.3 final project report en- dorsed and diffused	NA	Final project report in draft format	Draft final report being revised and comments from national workshop being incorporated into final report	Final report endorsed by key stakeholders Plan to diffuse results developed and en- dorsed	Final report sent to UNEP and diffused through MEP net- works	
	5.4 Number of Steering Com- mittee Meeting reports avail- able as part of the Monitoring and Evaluation Plan	# of Steering Committee Meeting reports	0	2	3	UNEP website, MEP website	Participation of all stakeholders

Component	Activities	Deliverables	Benchmarks
	1.2 Develop a workplan for the project	Workplan endorsed by all stakehold- ers taking into account baseline in-	Workplan and budget endorsed by month 2 5 guidance material identified by month 2
	1.3 Indentify initial guidance materials	formation Guidnace material available identi- fied	
2 Feasibility study for inventory survey ac-	2.1 Identify key industrial sec- tors of relevance	2 Provincial inventories published	2 Provincial inventories published <i>By month 4</i>
cording to industrial sectors and geograph- ical distribution	2.2 Conduct a detailed inventory in two provinces		
3 Survey of existing capacity for mercury analysis and data of	3.1 Identification of mercury labs in China able to analyse compounds containing mercury	Data bank of operational mercury laboratories established	Data bank of operational mercury laboratories estab- lished
environmental and	in the environment and biota	Mercury levels in environmental and human samples compiled	<i>by month 18</i> Mercury levels in environmental and human samples
human samples	3.2 Collection of mercury results from environmental and human samples from Chinese provinces		compiled by month 20
4 Prioritization of mer- cury sources, gaps analysis and action	4.1 Development of criteria for prioritization of mercury sources	List of priority criteria for mercury sources Priority list of mercury sources	Criteria for prioritization of mercury sources pub- lished by month 6
recommendations de- veloped	4.2 Development of priority list of mercury sources	Gaps analyzed and needs identified Reports on baseline data for envi-	Priority list of mercury sources available by month 20
	4.3 Gap analysis on mercury management and proposals to address gaps	ronmental and human samples pub- lished Initial action plan	Gaps analyzed and needs identified <i>by month 20</i> Reports on baseline data for environmental and hu-
	4.4 Identification of the needs for environmental and human monitoring		man samples published by month 6 20 Draft report on initial actions available
	4.5 Development of an action for mercury reduction		by month 22

Appendix 4: Key deliverables and benchmarks

5 Lessons Learned, final report, and strate- gies for needs to reduce mercury agreed	5.1 Development of a final report including lessons learned and future recommendations	Drafting team for final report includ- ing lessons learned and recommen- dation for future action plan to re- duce mercury is established Recommendation from final work- shop incorporated into report Plan to diffuse results initiated	Draft final report including lessons learned and rec- ommendations for future action plan to reduce mercu- ry is established <i>by month 22</i> Report from national workshop available <i>by month24</i> Final report including lessons learned and recommen- dations for future action plan to reduce mercury <i>by month 24</i> Final report sent to UNEP and diffused through MEP networks <i>by month 26</i> Steering Committee Meetings reports available at month 3, 13 and 25
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Appendix 5: Costed M&E plan

Day-to-day management and monitoring of the project activities will be the responsibility of the executing agency, MEP-FECO. MEP-FECO will submit half-yearly reports to UNEP and a Project Implementation Report (PIR) once a year. MEP-FECO will be responsible for the recruitment of local/international staff or consultants and the execution of the activities according to the work plan and expected outcomes.

The half-yearly reports will include progress in implementation of the project, financial report, a work plan and expected expenditures for the next reporting period. It will also include obstacles occurred during implementation period where necessary. The PIR will be prepared on an annual basis with the first report due one year after project implementation start according to GEF rules. It will be submitted by MEP-FECO to the UNEP task manager.

The National Project Management Team (NPMT) will be kept small but efficient and include the directly concerned stakeholders at the national level. It will meet regularly and will coordinate national activities. The Project Steering Committee will comprise UNEP DTIE Chemicals, MEP-FECO and the involved bilateral donors. The Project Steering Committee will meet back-to-back with the technical meetings, *i.e.*, inception workshop and final workshop. The Project Steering Committee will meet physically twice during the project implementation and once through teleconference. The Project Steering Committee will monitor the progress of the project and give advice as to implementation issues.

M&E activity	Purpose	Responsible Party	Budget (US\$)*1	Time- frame
Inception work- shop	Awareness raising, building stakeholder engagement, detailed work planning with key groups	MEP-FECO	0	Within two months of project start
Inception report	Provides implementation plan for progress monitoring	Project coordi- nator	0	Immediately following Inception Workshop
Project Review by Project Steering Committee	Assesses progress, effectiveness of operations and technical outputs; Recommends adaptation where necessary and confirms implementation plan.	MEP-FECO	0	Month 1, 12 (TC) and 24
Project Imple- mentation Review – Mid term re- view	Progress and effectiveness review for the GEF, provi- sion of lessons learned. This will be organized by MEP- FECO, in close consultation with UNEP. Draft report will be forwarded to UNEP for its approval.	MEP-FECO	0	Month 12
Terminal report	Reviews effectiveness against implementation plan Highlights technical outputs Identifies lessons learned and likely design approaches for future projects, assesses likelihood of achieving design outcomes	MEP-FECO	0	At the end of project im- plementation
Independent Terminal evalua- tion	Reviews effectiveness, efficiency and timeliness of pro- ject implementation, coordination mechanisms and outputs Identifies lessons learned and likely remedial actions for future projects	UNEP, Independent external con- sultant	25,000	At end of project im- plementation
Independent Fi- nancial Audit	Reviews use of project funds against budget and as- sesses probity of expenditure and transactions	MEP-FECO	5,000	At the end of project im- plementation
Total indicative	M&E cost*1		30,000	

Table: Monitoring and Evaluation Budget

*Project steering committee meetings (3) inception workshop and mid-term review will be carried out back to back with other technical meetings, such as the lessons learned (2) and planning meeting (1), therefore cost will be considered as "cero".

Appendix 6: Incremental costs Analysis

- 1. Without the GEF support, China would not be able to push the mercury inventory investigation in their exiting working framework so quickly. Without the application of UNEP Toolkit in China, it is impossible to improve China's capacity for identification of mercury sources and priority actions to address mercury issues under a future global convention. With GEF support, and technical assistance of UNEP, China will gradually enhance its capacities to manage mercury and also contribute to the UNEP priority area on *harmful substances and hazardous waste* under its *Medium Term Strategy* with the ultimate goal of minimizing the impact of harmful substances and hazardous waste to the environment and human beings.
- 2. This project is the first GEF supported intervention on mercury inventory in China. To date no other GEF initiatives have been implemented in China regarding mercury. Starting 2006, the Chinese Ministry of Environment Protection, in collaboration with the Norwegian Ministry of the Environment and the Italian Ministry for the Environment and Territory have carried out two projects on Mercury pollution prevention and control. These projects are within the framework of the Sino-Norwegian cooperation, entitled: "Capacity-building to reduce mercury pollution in China Case Study in Guizhou" and the Sino-Italian cooperation project entitled "Capacity Building on Atmospheric Mercury Releases Control from Coal Combustion and Management in China". Preliminary results of these projects focus on the economic and environmental impacts, and emission reduction cost-benefit analysis of mercury pollution.
- 3. The costs of doing this project represent incremental costs to planned and ongoing actions. For example, governments and related mercury industries are currently not considering mercury inventory as their mission that must be done. This project will assist these sectors to take into account mercury inventory working. This project will contribute to the sectoral efforts to make clear the baseline of mercury use and releases and support the mercury negotiations.
- 4. This project's outputs will be replicated not only in other provinces in China but also in other countries or regions with similar situation, can make full use of the inventory methodology identified, emission factors developed and the regional and sectoral pilot experiences obtained. This will avoid duplication of efforts and will enhance regional and global cooperation.

Component	Activities			Year 1	1 (2012)				Year 2	/ear 2 (2013)		
		2	4	6	8	10	12	2	4	6	8	10	12
	1.2 Draft and agree on the project workplan												
	1.3 Identify initial guidance materials												
2 Development of mercu- ry inventories by industri-	2.1 Identification of industrial sectors nationwide relevance												
al sector and geographical distribution	2.2 Detailed inventory in two provinces												
3 Assessemtn and strengthening of existing monitoring capacity for	3.1 Identification of mercury labs in China able to analyse compounds containing mercury in the environment and biota												
mercury analysis in the environment and humans	3.2 Collection of mercury results from environmen- tal and human samples from Chinese provinces												
4 Prioritization of mercu- ry sources, gaps analysis	4.1 Development of criteria for prioritization of mercury sources												
and initial action plan developed	4.2 Development of priority list of mercury sources												
uevelopeu	4.3 Gaps analysis and proposals to the gaps												
	4.4 Identification of the needs for environmental and human monitoring activities												
	4.5 Development of initial action plan												
5 Lessons learned, final report, and strategies for needs to reduce mercury	5.1 Drafting a final report including lessons learned and recommendation for future action plan to re- duce mercury												
	5.2 Hold national workshops to discuss draft re- port, strategies and lessons learned												
	5.3 Finalize report and disseminate results												
	5.4 Monitoring and Evaluation plan implemented												

Appendix 7: Workplan and timetable

Appendix 8: Standard Terminal Evaluation TOR

TERMS OF REFERENCE

Terminal Evaluation of the UNEP GEF project ...

Project Number GF/...

1. PROJECT BACKGROUND AND OVERVIEW

Project rationale from the project document

Relevance to GEF Programmes

Executing Arrangements

Project Activities

<u>Budget</u>

TERMS OF REFERENCE FOR THE EVALUATION

1. Objective and Scope of the Evaluation

The objective of this terminal evaluation is to examine the extent and magnitude of any project impacts to date and determine the likelihood of future impacts. The evaluation will also assess project performance and the implementation of planned project activities and planned outputs against actual results.

The evaluation will focus on the following main questions: ...

2. Methods

This terminal evaluation will be conducted as an in-depth evaluation using a participatory approach whereby the UNEP Task Manager, key representatives of the executing agencies and other relevant staff are kept informed and regularly consulted throughout the evaluation. The consultant will liaise with the UNEP/EOU and the UNEP Task Manager on any logistic and/or methodological issues to properly conduct the review in as independent a way as possible, given the circumstances and resources offered. The draft report will be circulated to UNEP Task Manager, key representatives of the executing agencies and the UNEP/EOU. Any comments or responses to the draft report will be sent to UNEP / EOU for collation and the consultant will be advised of any necessary revisions.

The findings of the evaluation will be based on the following:

A desk review of project documents including, but not limited to:

- (a) The project documents, outputs, monitoring reports (such as progress and financial reports to UNEP and GEF annual Project Implementation Review reports) and relevant correspondence.
- (b) Review of specific products including the final reports from country executing agencies, workshop proceedings, etc
- (c) Notes from the Steering Group meetings.
- (d) Other project-related material produced by the project staff or partners.
- 2. Interviews with project management and technical support staff.
- 3. Interviews with intended users for the project outputs and other stakeholders involved with this project, including in the participating countries and international bodies. As appropriate, these interviews could be combined with an email questionnaire.
- 4. The Consultant shall seek additional information and opinions by e-mail, through telephone communication, or by actual meetings.
- 5. Interviews with the UNEP project task manager and Fund Management Officer, and other relevant staff in UNEP dealing with mercury related activities as necessary. The Consultant shall also gain broader perspectives from discussions with relevant GEF Secretariat staff.

Key Evaluation principles.

In attempting to evaluate any outcomes and impacts that the project may have achieved, evaluators should remember that the project's performance should be assessed by considering the difference between the answers to two simple questions *"what happened?"* and *"what would have happened any-way?"*. These questions imply that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. In addition it implies that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project.

Sometimes, adequate information on baseline conditions and trends is lacking. In such cases this should be clearly highlighted by the evaluator, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

3. Project Evaluation Parameters

A. Attainment of objectives and planned results:

The assessment of project results seeks to determine the extent to which the project objectives were achieved, or are expected to be achieved, and assess if the project has led to any other positive or negative consequences. While assessing a project's outcomes the evaluation will seek to determine the extent of achievement and shortcomings in reaching the project's objectives as stated in the project document and also indicate if there were any changes and whether those changes were approved. As the project did not establish an elaborate baseline (initial conditions), the evaluator should seek to estimate the baseline condition so that achievements and results can be properly established (or simplifying assumptions used). Since most GEF projects can be expected to achieve the anticipated outcomes by project closing, assessment of project outcomes should be a priority. Outcomes are the likely or achieved short-term and medium-term effects of an intervention's outputs. Examples of outcomes could include but are not restricted to stronger institutional capacities, higher public awareness (when leading to changes of behaviour), and transformed policy frameworks or markets. The evaluation should assess the extent to which the project's major relevant objectives were effectively and efficiently achieved or are expected to be achieved and their relevance.

- *Effectiveness:* Evaluate how, and to what extent, the stated project objectives have been met, taking into account the "achievement indicators" specified in the project document and logical framework¹².
- *Relevance:* In retrospect, were the project's outcomes consistent with the focal areas/operational program strategies and country priorities? The evaluation should also assess the whether outcomes specified in the project document and or logical framework are actually outcomes and not outputs or inputs.
- *Efficiency:* Cost-effectiveness assesses the achievement of the environmental and developmental objectives as well as the project's outputs in relation to the inputs, costs, and implementing time. Include an assessment of outcomes in relation to inputs, costs, and implementation times based on the following questions: Was the project cost-effective? Was the project the least cost option? Was the project implementation delayed and if it was then did that affect cost-effectiveness? The evaluation should assess the contribution of cash and in-kind co-financing to project implementation and to what extent the project leveraged additional resources. Comparisons of the cost-time vs. outcomes relationship of the project with that of other similar projects should be made if feasible.

B. Assessment of Sustainability of project outcomes:

Sustainability is understood as the probability of continued long-term project-derived outcomes and impacts after the GEF project funding ends. The evaluation will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. Some of these factors might be outcomes of the project, e.g. stronger institutional capacities or better informed decision-making. Other factors will include contextual circumstances or developments that are not outcomes of the project but that are relevant to the sustainability of outcomes. The evaluation should ascertain to what extent follow-up work has been initiated and how project outcomes will be sustained and enhanced over time. In this case, sustainability will be linked to the continued use and influence of scientific models and scientific findings, produced by the project.

Four aspects of sustainability should be addressed: financial, socio-political, institutional frameworks and governance, and ecological (if applicable). The following questions provide guidance on the assessment of these aspects:

• *Financial resources.* To what extent are the outcomes of the project dependent on continued financial support? What is the likelihood that any required financial resources will be available to sustain the project outcomes/benefits once the GEF assistance ends (resources can

¹² In case in the original or modified expected outcomes are merely outputs/inputs then the evaluators should assess if there were any real outcomes of the project and if yes then whether these are commensurate with the realistic expectations from such projects.

be from multiple sources, such as the public and private sectors, income generating activities, and market trends that support the project's objectives)? Was the project was successful in identifying and leveraging co-financing?

- *Socio-political:* To what extent are the outcomes of the project dependent on socio-political factors? What is the likelihood that the level of stakeholder ownership will allow for the project outcomes/benefits to be sustained? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project?
- *Institutional framework and governance.* To what extent are the outcomes of the project dependent on issues relating to institutional frameworks and governance? What is the likelihood that institutional and technical achievements, legal frameworks, policies and governance structures and processes will allow for, the project outcomes/benefits to be sustained? While responding to these questions consider if the required systems for accountability and transparency and the required technical know-how are in place.
- *Ecological.* Are there any environmental risks that can undermine the future flow of project environmental benefits? The TE should assess whether certain activities in the project area will pose a threat to the sustainability of the project outcomes.¹³

As far as possible, also assess the potential longer-term impacts considering that the evaluation is taking place upon completion of the project and that longer term impact is expected to be seen in a few years time. Frame any recommendations to enhance future project impact in this context. Which will be the major 'channels' for longer term impact from the project at the national and international scales? The evaluation should formulate recommendations that outline possible approaches and necessary actions to facilitate an impact assessment study in a few years time.

C. Catalytic role

The terminal evaluation will also describe any catalytic or replication effect of the project. What examples are there of replication and catalytic outcomes that suggest increased likelihood of sustainability? Replication approach, in the context of GEF projects, is defined as lessons and experiences coming out of the project that are replicated or scaled up in the design and implementation of other projects. Replication can have two aspects, replication proper (lessons and experiences are replicated in different geographic area) or scaling up (lessons and experiences are replicated within the same geographic area but funded by other sources). If no effects are identified, the evaluation will describe the catalytic or replication actions that the project carried out. No ratings are requested for the catalytic role.

D. Achievement of outputs and activities:

- Delivered outputs: Assessment of the project's success in producing each of the programmed outputs, both in quantity and quality as well as usefulness and timeliness.
- Assess the soundness and effectiveness of the methods and approached used by the project.

E. Assessment of Monitoring and Evaluation Systems:

- **M&E design.** Did the project have a sound M&E plan to monitor results and track progress towards achieving project objectives? The Terminal Evaluation will assess whether the project met the minimum requirements for project design of M&E and the application of the Project M&E plan (Minimum requirements are specified in Annex 4). The evaluation shall include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The M&E plan should include a baseline (including data, methodology, etc.), SMART (see Annex 4) indicators and data analysis systems, and evaluation studies at specific times to assess results. The time frame for various M&E activities and standards for outputs should have been specified.
- **M&E plan implementation.** Was an M&E system in place and did it facilitate tracking of results and progress towards projects objectives throughout the project implementation period. Were Annual project reports complete, accurate and with well justified ratings?

¹³ For example, construction of dam in a protected area could inundate a sizable area and thereby neutralizing the biodiversity related gains made by the project or, a newly established pulp mill might jeopardise the viability of nearby protected forest areas by increasing logging pressures.

Was the information provided by the M&E system used during the project to improve project performance and to adapt to changing needs? Did the Projects have an M&E system in place with proper training for parties responsible for M&E activities to ensure data will continue to be collected and used after project closure?

- **Budgeting and Funding for M&E activities.** Were adequate budget provisions made for M&E made and were such resources made available in a timely fashion during implementation?
- **Long-term Monitoring.** Is long-term monitoring envisaged as an outcome of the project? If so, comment specifically on the relevance of such monitoring systems to sustaining project outcomes and how the monitoring effort will be sustained.

F. Assessment of processes that affected attainment of project results.

The evaluation will consider, but need not be limited to, consideration of the following issues that may have affected project implementation and attainment of project results:

- i. **Preparation and readiness.** Were the project's objectives and components clear, practicable and feasible within its timeframe? Were capacities of the executing institutions and counterparts properly considered when the project was designed? Were lessons from other relevant projects properly incorporated in design? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to implementation? Was availability of counterpart resources (funding, staff, and facilities), passage of enabling legislation, and adequate project management arrangements in place at project entry?
- Ascertain to what extent the project implementation mechanisms outlined in the project document have been closely followed. In particular, assess the role of the various committees established and whether the project document was clear and realistic to enable effective and efficient implementation, whether the project was executed according to the plan and how well the management was able to adapt to changes during the life of the project to enable the implementation of the project.
- Evaluate the effectiveness and efficiency and adaptability of project management and the supervision of project activities / project execution arrangements at all levels (1) policy decisions: Steering Group; (2) day to day project management: (3) GEF guidance: UNEP.
- ii. **Country ownership/Drivenness.** This is the relevance of the project to national development and environmental agendas, recipient country commitment, and regional and international agreements. Examples of possible evaluative questions include: Was the project design in-line with the national sectoral and development priorities and plans? Are project outcomes contributing to national development priorities and plans? Were the relevant country representatives, from government and civil society, involved in the project? Did the recipient government maintain its financial commitment to the project? Have the government approved policies or regulatory frameworks been in-line with the project's objectives?

Stakeholder involvement. Did the project involve the relevant stakeholders through information sharing, consultation and by seeking their participation in project's design, implementation, and monitoring and evaluation? For example, did the project implement appropriate outreach and public awareness campaigns? Did the project consult and make use of the skills, experience and knowledge of the appropriate government entities, NGOs, community groups, private sector, local governments and academic institutions in the design, implementation and evaluation of project activities? Were perspectives of those that would be affected by decisions, those that could affect the outcomes and those that could contribute information or other resources to the process taken into account while taking decisions? Were the relevant vulnerable groups and the powerful, the supporters and the opponents, of the processes properly involved? Specifically the evaluation will:

- Assess the mechanisms put in place by the project for identification and engagement of stakeholders in each participating country and establish, in consultation with the stakeholders, whether this mechanism was successful, and identify its strengths and weaknesses.
- Assess the degree and effectiveness of collaboration/interactions between the various project partners and institutions during the course of implementation of the project.

• Assess the degree and effectiveness of any various public awareness activities that were undertaken during the course of implementation of the project.

Financial planning. Did the project have the appropriate financial controls, including reporting and planning, that allowed management to make informed decisions regarding the budget and allowed for timely flow of funds. Specifically, the evaluation should:

- Assess the strength and utility of financial controls, including reporting, and planning to allow the project management to make informed decisions regarding the budget and allow for a proper and timely flow of funds for the payment of satisfactory project deliverables throughout the project's lifetime.
- Present the major findings from the financial audit if one has been conducted.
- Did promised co-financing materialize? Identify and verify the sources of co- financing as well as leveraged and associated financing (in co-operation with the IA and EA).
- Assess whether the project has applied appropriate standards of due diligence in the management of funds and financial audits.
- The evaluation should also include a breakdown of final actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing. This information will be prepared by the relevant Fund Management Officer of the project for scrutiny by the evaluator (table attached in Annex 1 Co-financing and leveraged resources).

UNEP Supervision and backstopping. Did UNEP Agency staff identify problems in a timely fashion and accurately estimate its seriousness? Did UNEP staff provide quality support and advice to the project, approved modifications in time and restructure the project when needed? Did UNEP and Executing Agencies provide the right staffing levels, continuity, skill mix, frequency of field visits?

Co-financing and Project Outcomes & Sustainability. If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for this? Did the extent of materialization of co-financing affect the project's outcomes and/or sustainability, and if it did affect outcomes and sustainability then in what ways and through what causal linkages?

Delays and Project Outcomes & Sustainability. If there were delays in project implementation and completion, the evaluation will summarise the reasons for them. Did delays affect the project's outcomes and/or sustainability, and if so in what ways and through what causal linkages?

The *ratings will be presented in the form of a table* with each of the categories rated separately and with **brief justifications for the rating** based on the findings of the main analysis. An overall rating for the project should also be given. The rating system to be applied is specified in Annex 1:

4. Evaluation report format and review procedures

The report should be brief, to the point and easy to understand. It must explain; the purpose of the evaluation, exactly what was evaluated and the methods used. The report must highlight any methodological limitations, identify key concerns and present evidence-based findings, consequent conclusions, recommendations and lessons. The report should provide information on when the evaluation took place, the places visited, who was involved and be presented in a way that makes the information accessible and comprehensible. The report should include an executive summary that encapsulates the essence of the information contained in the report to facilitate dissemination and distillation of lessons.

Evidence, findings, conclusions and recommendations should be presented in a complete and balanced manner. The evaluation report shall be written in English, be of no more than 50 pages (excluding annexes), use numbered paragraphs and include:

- i) **An executive summary** (no more than 3 pages) providing a brief overview of the main conclusions and recommendations of the evaluation;
- ii) **Introduction and background** giving a brief overview of the evaluated project, for example, the objective and status of activities;
- iii) **Scope, objective and methods** presenting the evaluation's purpose, the evaluation criteria used and questions to be addressed;

- iv) Project Performance and Impact providing factual evidence relevant to the questions asked by the evaluator and interpretations of such evidence. This is the main substantive section of the report and should provide a commentary on all evaluation aspects (A F above).
- v) **Conclusions and rating** of project implementation success giving the evaluator's concluding assessments and ratings of the project against given evaluation criteria and standards of performance. The conclusions should provide answers to questions about whether the project is considered good or bad, and whether the results are considered positive or negative;
- vi) **Lessons learned** presenting general conclusions, based on established good practices that have the potential for wider application and use. Lessons may also be derived from problems and mistakes. The context in which lessons may be applied should be clearly specified, and lessons should always state or imply some prescriptive action. A lesson should be written such that experiences derived from the project could be applied in other projects or at portfolio level;
- vii) **Recommendations** suggesting *actionable* proposals for stakeholders to rectify poor existing situations as well as recommendations concerning projects of similar nature.. In general, Terminal Evaluations are likely to have very few (only two or three) actionable recommendations;
- viii) **Annexes** include Terms of Reference, list of interviewees, documents reviewed, brief summary of the expertise of the evaluator / evaluation team, a summary of co-finance information etc. Dissident views or management responses to the evaluation findings may later be appended in an annex.

Examples of UNEP GEF Terminal Evaluation Reports are available at <u>www.unep.org/eou</u>

Review of the Draft Evaluation Report

Draft reports submitted to UNEP EOU are shared with the corresponding Programme or Project Officer and his or her supervisor for initial review and consultation. The UNEP staff and senior Executing Agency staff are allowed to comment on the draft evaluation report. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. UNEP EOU collates the review comments and provides them to the evaluators for their consideration in preparing the final version of the report.

All UNEP GEF Evaluation Reports are subject to quality assessments by UNEP EOU. These incorporate GEF Office of Evaluation quality assessment criteria and are used as a tool for providing structured feedback to the evaluator (see Annex 3).

5. Submission of Final Terminal Evaluation Reports.

The final report shall be submitted in electronic form in MS Word format and should be sent to the following persons:

•••

With a copy to:

...

The final evaluation report will be printed in hard copy and published on the Evaluation and Oversight Unit's web-site <u>www.unep.org/eou</u>. Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.

6. Resources and schedule of the evaluation

This final evaluation will be undertaken by an international evaluator contracted by the Evaluation and Oversight Unit, UNEP. The contract for the evaluator will begin on... The evaluator will submit a draft report on ... to UNEP/EOU, the UNEP Task Manager, and key representatives of the executing agencies. Any

comments or responses to the draft report will be sent to UNEP / EOU for collation and the consultant will be advised of any necessary revisions. Comments to the final draft report will be sent to the consultant by ... after which, the consultant will submit the final report no later than ...

In accordance with UNEP/GEF policy, all GEF projects are evaluated by independent evaluators contracted as consultants by the EOU. The evaluators should have the following qualifications:

The evaluator should not have been associated with the design and implementation of the project. The evaluator will work under the overall supervision of the Chief, Evaluation and Oversight Unit, UNEP. Knowledge of UNEP programmes and GEF activities is desirable. <u>Fluency in oral and written English is a must.</u>

Criterion	Evaluator's Summary Comments	Evaluator's Rating
Attainment of project objectives and re-		
sults (overall rating)		
Sub criteria (below)		
Effectiveness		
Relevance		
Efficiency		
Sustainability of Project outcomes		
(overall rating)		
Sub criteria (below)		
Financial		
Socio Political		
Institutional framework and governance		
Ecological		
Achievement of outputs and activities		
Monitoring and Evaluation		
(overall rating)		
Sub criteria (below)		
M&E Design		
M&E Plan Implementation (use for adap-		
tive management)		
Budgeting and Funding for M&E activities		
Catalytic Role		
Preparation and readiness		
Country ownership / driveness		
Stakeholders involvement		
Financial planning		
UNEP Supervision and backstopping		
Overall Rating		

Annex 1. OVERALL RATINGS TABLE

RATING OF PROJECT OBJECTIVES AND RESULTS

Highly Satisfactory (HS): The project had no shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Satisfactory (S): The project had minor shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Moderately Satisfactory (MS): The project had moderate shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Moderately Unsatisfactory (MU): The project had significant shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Unsatisfactory (U) The project had major shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Highly Unsatisfactory (HU): The project had severe shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.

Please note: Relevance and effectiveness will be considered as critical criteria. The overall rating of the project for achievement of objectives and results **may not be higher** than the lowest rating on either of these two criteria. Thus, to have an overall satisfactory rating for outcomes a project must have at least satisfactory ratings on both relevance and effectiveness.

RATINGS ON SUSTAINABILITY

A. Sustainability will be understood as the probability of continued long-term outcomes and impacts after the GEF project funding ends. The Terminal evaluation will identify and assess the key conditions or factors that are likely to contribute or undermine the persistence of benefits after the project ends. Some of these factors might be outcomes of the project, i.e. stronger institutional capacities, legal frameworks, socio-economic incentives /or public awareness. Other factors will include contextual circumstances or developments that are not outcomes of the project but that are relevant to the sustainability of outcomes.

Rating system for sustainability sub-criteria

On each of the dimensions of sustainability of the project outcomes will be rated as follows.

Likely (L): There are no risks affecting this dimension of sustainability.

Moderately Likely (ML). There are moderate risks that affect this dimension of sustainability.

Moderately Unlikely (MU): There are significant risks that affect this dimension of sustainability

Unlikely (U): There are severe risks that affect this dimension of sustainability.

All the risk dimensions of sustainability are critical. Therefore, overall rating for sustainability will not be higher than the rating of the dimension with lowest ratings. For example, if a project has an Unlikely rating in either of the dimensions then its overall rating cannot be higher than Unlikely, regardless of whether higher ratings in other dimensions of sustainability produce a higher average.

RATINGS OF PROJECT M&E

Monitoring is a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing project with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Evaluation is the systematic and objective assessment of an on-going or completed project, its design, implementation and results. Project evaluation may involve the definition of appropriate standards, the examination of performance against those standards, and an assessment of actual and expected results.

The Project monitoring and evaluation system will be rated on 'M&E Design', 'M&E Plan Implementation' and 'Budgeting and Funding for M&E activities' as follows:

Highly Satisfactory (HS): There were no shortcomings in the project M&E system.

Satisfactory(S): There were minor shortcomings in the project M&E system.

Moderately Satisfactory (MS): There were moderate shortcomings in the project M&E system.

Moderately Unsatisfactory (MU): There were significant shortcomings in the project M&E system.

Unsatisfactory (U): There were major shortcomings in the project M&E system.

Highly Unsatisfactory (HU): The Project had no M&E system.

"M&E plan implementation" will be considered a critical parameter for the overall assessment of the M&E system. The overall rating for the M&E systems will not be higher than the rating on "M&E plan implementation."

All other ratings will be on the GEF six point scale.

GEF P	erformance Description	Alternative description on the same scale
HS	= Highly Satisfactory	Excellent
S	= Satisfactory	Well above average
MS	= Moderately Satisfactory	Average
MU	= Moderately Unsatisfactory	Below Average
U	= Unsatisfactory	Poor
HU	= Highly Unsatisfactory	Very poor (Appalling)

	Co financing	IA own Financing (mill US\$)		Government (mill US\$)		Other* (mill US\$)		Tot:		Total Disbursement	
(Гуре/Source)	Planned	Actual	Planned	Actual	Planned	Actual			(mill US\$) Planned Actual	
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-	Grants										
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	sional (com-										
	pared to mar-										
	ket rate)										
-	Credits										
-	Equity in-										
	vestments										
-	In-kind sup-										
	port										
-	Other (*)										
-											
-											
-											
-											
-											
_	Totals										

Co-financing (basic data to be supplied to the consultant for verification)

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

Leveraged Resources

Leveraged resources are additional resources—beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO's, foundations, governments, communities or the private sector. Please briefly describe the resources the project has leveraged since inception and indicate how these resources are contributing to the project's ultimate objective.

Table showing final actual project expenditure by activity to be supplied by the UNEP Fund management Officer. (insert here)

Annex 3. Review of the Draft Report

Draft reports submitted to UNEP EOU are shared with the corresponding Programme or Project Officer and his or her supervisor for initial review and consultation. The UNEP staff and senior Executing Agency staff provide comments on the draft evaluation report. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. UNEP EOU collates the review comments and provides them to the evaluators for their consideration in preparing the final version of the report. General comments on the draft report with respect to compliance with these TOR are shared with the reviewer.

Quality Assessment of the Evaluation Report

All UNEP GEF Reports are subject to quality assessments by UNEP EOU. These apply GEF Office of Evaluation quality assessment and are used as a tool for providing structured feedback to the evaluator.

The quality of the draft evaluation report is assessed and rated against the following criteria:

GEF Report Quality Criteria	UNEP EOU Assessment	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives in the context of the focal area program indicators if applicable?		
B. Was the report consistent and the evidence complete and convincing and were the ratings substantiated when used?		
C. Did the report present a sound assessment of sustainability of outcomes?		
D. Were the lessons and recommendations supported by the evidence presented?		
E. Did the report include the actual project costs (total and per activity) and actual co-financing used?		
F. Did the report include an assessment of the quality of the project M&E system and its use for project management?		
UNEP EOU additional Report Quality Criteria	UNEP EOU Assessment	Rating
G. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
H. Quality of the recommendations: Did recommendations specify the actions neces- sary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?)'. Can they be implemented? Did the recommendations specify a goal and an associated performance indicator?		
I. Was the report well written? (clear English language and grammar)		
J. Did the report structure follow EOU guidelines, were all requested Annexes in- cluded?		
K. Were all evaluation aspects specified in the TORs adequately addressed?		
L. Was the report delivered in a timely manner		

GEF Quality of the MTE report = 0.3*(A + B) + 0.1*(C+D+E+F) EOU assessment of MTE report = 0.3*(G + H) + 0.1*(I+J+K+L) Combined quality Rating = (2* 'GEF EO' rating + EOU rating)/3 The Totals are rounded and converted to the scale of HS to HU

Rating system for quality of terminal evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

Annex 4 GEF Minimum requirements for M&E

Minimum Requirement 1: Project Design of M&E14

All projects must include a concrete and fully budgeted monitoring and evaluation plan by the time of Work Program entry (full-sized projects) or CEO approval (medium-sized projects). This plan must contain at a minimum:

- SMART (see below) indicators for project implementation, or, if no indicators are identified, an alternative plan for monitoring that will deliver reliable and valid information to management
- SMART indicators for results (outcomes and, if applicable, impacts), and, where appropriate, corporate-level indicators
- A project baseline, with:
 - a description of the problem to address
 - indicator data
 - or, if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation
- An M&E Plan with identification of reviews and evaluations which will be undertaken, such as midterm reviews or evaluations of activities

An organizational setup and budgets for monitoring and evaluation.

 $^{^{14}\,}http://gefweb.org/Monitoring and Evaluation/MEPolicies Procedures/MEPTools/mept standards.html$

Minimum Requirement 2: Application of Project M&E

Project monitoring and supervision will include implementation of the M&E plan, comprising:

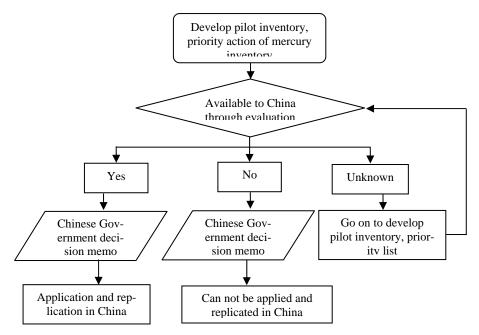
- Use of SMART indicators for implementation (or provision of a reasonable explanation if not used)
- Use of SMART indicators for results (or provision of a reasonable explanation if not used)
- Fully established baseline for the project and data compiled to review progress
- Evaluations are undertaken as planned
- Operational organizational setup for M&E and budgets spent as planned.

SMART INDICATORS GEF projects and programs should monitor using relevant performance indicators. The monitoring system should be "SMART":

- 1. **Specific**: The system captures the essence of the desired result by clearly and directly relating to achieving an objective, and only that objective.
- 2. **Measurable:** The monitoring system and its indicators are unambiguously specified so that all parties agree on what the system covers and there are practical ways to measure the indicators and results.
- 3. **Achievable and Attributable:** The system identifies what changes are anticipated as a result of the intervention and whether the result(s) are realistic. Attribution requires that changes in the targeted developmental issue can be linked to the intervention.
- 4. **Relevant and Realistic:** The system establishes levels of performance that are likely to be achieved in a practical manner, and that reflect the expectations of stakeholders.
- 5. **Time-bound, Timely, Trackable, and Targeted:** The system allows progress to be tracked in a cost-effective manner at desired frequency for a set period, with clear identification of the particular stakeholder group to be impacted by the project or program.

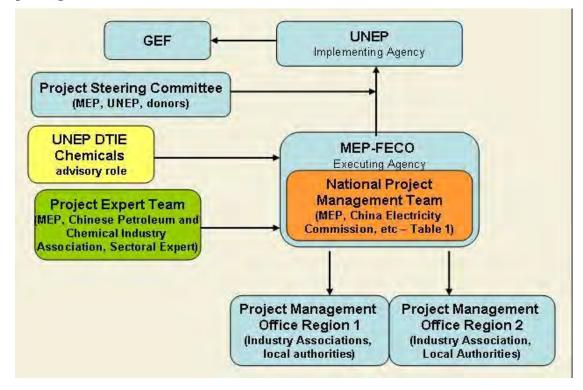
Annex 5 List of intended additional recipients for the Terminal Evaluation

Name	Affiliation	Email
Government Officials		
GEF Focal Point(s)		
Executing Agency		



Decision Making flowchart and Organizational Chart

Graph: Organizational Chart



Appendix 10:

Reconciliation between activities based co-finance budget and UNEP budget by expenditure code (total co-finance)

China mercury national inventory

MEP Feco

Project No:

Project Name: Executing Agency:

Source of I	funding (noting whether cash or in-kind):	Cofinance										
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		Initial Guidance	Development of	Assessment of	Prioritization of	Lessons	Project man-					
		on mercury	mercury inven-	existing capaci-	mercury	learned, final	agement					
		management identified and	tories by industrial	ty for mercury analysis and	sources, gap analysis and	report, and strategies for						
		baseline	sector and	data of envi-	initial action	needs to reduce						
		strengthened	geographical distribution	ronmental and human samples	plan developed	mercury agreed						
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	3301	Provincial workshops for feasibility study					[0	0	0	0
	3302	Final WS on national plan and recommendations					105'000		105'000		105'000	105'000
	3303	Steering group mtgs					20'000		20'000	10'000	10'000	20'000
	3399	Sub-Total	0	0	0	0	125'000	0	125'000	10'000	115'000	125'000
	3999	Component Total	0	0	0	255'000	125'000	0	380'000	10'000	370'000	380'000
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	4100	Expendable equipment (under 1,500 \$)										
	4101	Office supplies					[10'000	10'000	5'000	5'000	10'000
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	4300	Premises (office rent, maintenance)									-	÷ F
	4301	Office space (CHN institution)					[10'000	10'000	5'000	5'000	10'000
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50	MISCELL	ANEOUS COMPONENT										
	5100	Operation and maintenance of equip.										
	5101	Rental & maint. of computer and communication equipments						10'000	10'000	5'000	5'000	10'000
	5199	Sub-Total	0	0	0	0	0	10'000	10'000	5'000	5'000	10'000
	5200	Reporting costs (publications, maps, NL)					[[[
	5201	Finalization of report and dissimination strategy					45'000		45'000		45'000	45'000
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	5300	Sundry (communications, postage, etc)					[[
	5301	Communication, postage, freight, etc.						10'000	10'000	5'000	5'000	10'000
	5399	Sub-Total	0	0	0	0	0	10'000	10'000	5'000	5'000	10'000
	5400	Hospitality and entertainment										
	5401	Hospitality and entertainment					 	40'000	40'000	20'000	20'000	40'000
	5499	Sub-Total	0	0	0	0	0	40'000	40'000	20'000	20'000	40'000
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Appendix 11: Reconciliation between GEF activities based budget and UNEP budget by expenditure code

(GEF finance only)

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环境保护部环境保护对外合作中心

Commitment Letter for Co-financing

To: Ms. Maryam Niamir-Fuller Director GEF Coordination Office Nairobi, Kenya

June 13, 2012

Subject: Medium-Size Project of Pilot Project on the Development of Mercury Inventory in China

In order to enhance the capacity to control and reduce mercury pollution in China, and to ensure smooth project implementation, the Ministry of Environmental Protection of the People's Republic of China (MEP), on behalf of the Chinese government, pledges 0.2 million USD as co-financing during the two-year implementation period of the captioned project (2012-2013) to support the expenditure of the Chinese delegation's participation in INC4, INC5, the Diplomatic conference and the inter-sessional meetings. The Chinese delegation will include members from the Ministry of Foreign Affairs, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Land and Resources, Ministry of Commerce, State Food and Drug Administration, China Petroleum and Chemical Industry Federation, Tsinghua University and Peking University, etc.

Sincerely yours,

front

Fang Li Deputy Director General Foreign Economic Cooperation Office Ministry of Environmental Protection of China 5 Houyingfang Hutong, Xicheng District Beijing 100035, China Tel: 86 10 82268806 Fax: 86 10 82200510

陕西省环境保护厅

融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞排放 清单编制试点项目"。根据你中心发布的融资意向公告,我厅决定参 与汞排放清单编制试点项目,并承诺提供实物配套12万美元,人员 工资3万美元,办公设备2万美元,办公室租赁4万美元,差旅费1 万美元,办公费用3万美元,共计25万美元作为开展汞排放清单编 制试点项目的融资支持。

若我厅可以参与该项目的实施,我厅承诺提供25万美元的融资 支持,以确保项目顺利实施,尽快完成汞排放清单的编制。



湖南省环境保护厅

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关于参加中国典型省份汞排放清单编制试点项目的 融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞 排放清单编制试点项目"。根据你中心发布的融资意向公告, 我厅决定参与汞排放清单编制试点项目,并承诺提供办公室租 赁费4万美元,办公设备3万美元,人员工资3万美元,差旅 费2万美元,会议费3万美元以及实物配套10万美元,共计25 万美元作为开展该项目的融资支持,以确保项目顺利实施,尽 快完成汞排放清单的编制。



贵州省环境保护厅

融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞排 放清单编制试点项目"。根据你中心发布的融资意向公告,我厅 决定参与汞排放清单编制试点项目,并承诺提供实物配套 13 万 美元,人员工资 3 万美元,会议费 2 万美元,办公设备 1 万美元, 办公室租赁费 2 万美元,差旅费 3 万美元,以及打印等办公费用 1 万美元,共计 25 万美元作为开展汞排放清单编制试点项目的融 资支持。

若我厅可以参与该项目的实施,我厅承诺提供 25 万美元的 融资支持,以确保项目顺利实施,尽快完成汞排放清单的编制。

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环境保护部环境保护对外合作中心

Commitment Letter for co-financing

Subject: Medium-Size Project of Pilot Project on the Development of Mercury Inventory in China

In order to enhance the capacity to control and reduce mercury pollution in China and guarantee the project goes smoothly, Foreign Economic Cooperation Office of Ministry of Environmental Protection (FECO/MEP) pledges supplying 1 million USD as co-financing during the two-year implementation period of the captioned project (2012-2013), among which:

- 1) 0.3 Million USD in kind and 0.2 million USD in cash covered by FECO/MEP
- 0.12 Million USD in kind and 0.13 million USD in cash supported by Shaanxi Provincial Environmental Protection Bureau
- 0.1 Million USD in kind and 0.15 million USD in cash supported by Hunan Provincial Environmental Protection Bureau
- 0.13 Million USD in kind and 0.12 million USD in cash supported by Guizhou Provincial Environmental Protection Bureau

Note: The project will choose two provinces from Shaanxi, Hunan and Guizhou.

The co-financing will be allocated yearly according to the project plan and progress.

Sincerely yours, Fang tr Deputy Director General Foreign Economic Cooperation Office Ministry of Environmental Protection of China 5 Houyingfang Hutong, Xicheng District Beijing 100035, China Tel: 86 10 82268806 Fax: 86 10 82200510



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement 🧼 Programa de las Naciones Unidas para el Medio Ambiente Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة



联合国环境规划署

Email contact: Heidelore.fiedler@unep.org Our Ref: UNEP GEF Hg (HF) Date June 1, 2012

Subject:

UNEP/DTIE, Chemicals Branch co-financing towards the project "Pilot Project on the Development of Mercury Inventory in China" – additional funds

Dear Ms. Niamir-Fuller,

The Chemicals Branch of UNEP's Division of Technology, Industry and Economics (UNEP/DTIE) has re-evaluated its contribution to China "Pilot Project on the Development of Mercury Inventory in China" where it assisted the Government of China, Ministry of Environmental Protection (MEP), to develop the project and where the Chemicals Branch has committed towards the executing agency, the Foreign Economic Corporation Office of MEP, to support the implementation of this project.

On behalf of the Chemicals Branch, I hereby confirm an additional contribution as cofinancing to this project of USD 896,265. This contribution comprises the following for the execution of the project:

- USD 311,000 in-kind contribution from a EU project grant on mercury emissions from coal combustion to China;
- USD 10,000 in-kind contribution from a SSFA between UNEP and MEP for preparation of publication materials on mercury inventory and USD 28,250 from SSFA between UNEP and MEP in relation to a project on vinyl chloride monomer production (follow-up project);
- USD 283,000 contribution to accommodate China's participation in the INC-4, INC-5, Diplomatic Conference, and relevant Bureau Meetings through payment of China eligible delegation member, partial costs for interpretation at these meetings, and Asia pre-meeting to the Diplomatic Conference;
- USD 50,000 of UNEP staff travel to and within China (USD 42,000 from Chemicals Branch, USD 8,000 from UNEP Office in China); and
- USD 214,015 staff time corresponding to roughly 10% and 5% of two P4 positions, 10% of two P5 positions, 5% of D1 position in Geneva; and 3%-6% of P5 and assistant positions in the Beijing Office.

This co-finance letter complements our earlier contribution of USD 250,000 – as per attached copy – to bring the UNEP total to USD 1,146,265. Together with the co-financing contributions from the Ministry of Environmental Protection (USD 500,000 and USD 200,000), two Provinces in China (USD 500,000) and the Government of Norway (USD 800,000), the total co-finance is at USD 3,146,265 and thus, at the ratio of 1:3 as required by the GEF Secretariat as per correspondence of 30 May 2012.

Yours sincerely,

Timothy J. Kasten Head Chemicals Branch Division of Technology, Industry and Economics (DTIE)

Ms. Maryam Niamir-Fuller Director, GEF Coordination Office Nairobi, Kenya

cc: Mr. Jorge Ocaña, UNEP/DTIE GEF Coordination Ms. Heidelore Fiedler, UNEP/DTIE Chemicals Branch Mr. David Piper, UNEP/DTIE Chemicals Branch

> Chemicals Branch, DTIE // Substances chimiques, DTIE 11-13, chemin des Anémones, CH - 1219 Châtelaine, Geneva, Switzerland Facsimile: +41 22 797 34 60 // E-mail: chemicals@unep.ch



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente الأمم المتحدة للبيئة Программа Организации Объединенных Наший по окружающей среде



UNEP

Email contact: I Our Ref: U Date (

ntact: Heidelore.fiedler@unep.org Ref: UNEP GEF Hg (HF) Date October 12, 2011

Subject:

UNEP/DTIE, Chemicals Branch co-financing towards the project "Pilot Project on the Development of Mercury Inventory in China"

Dear Ms. Niamir-Fuller,

The Chemicals Branch of UNEP's Division of Technology, Industry and Economics (UNEP/DTIE) has assisted the Government of China, Ministry of Environmental Protection (MEP), and the UNEP/DTIE GEF Coordination Team in the development of the above-mentioned project. Further, the Chemicals Branch has committed towards the executing agency, the Foreign Economic Corporation Office of MEP, to support the implementation of this project.

On behalf of the United Nations Environment Programme, Division of Technology, Industry and Economics, I hereby confirm that the UNEP Chemicals Branch's co-financing contribution to this project is up to USD 250,000 over the 24 months period of the project. This contribution comprises the following for the execution of the project:

- USD 85,000 in-kind contribution from a Small Scale Funding Agreement (SSFA) between UNEP and MEP for implementation of activities in China related to a project on vinyl chloride monomer manufacture;
- USD 40,000 in-kind contribution from a SSFA between UNEP and MEP for implementation of activities in relation to a project on mercury in products; and
- USD 125,000 staff time corresponding to roughly 10% of two P4 positions and one P3 and 5% each from two P5 positions.

We hope that the contribution of DTIE/Chemicals Branch will help to get the project approved by the GEF Secretariat.

Yours sincerely.

Timothy J. Kasten Head Chemicals Branch Division of Technology, Industry and Economics (DTIE)

Ms. Maryam Niamir-Fuller Director, GEF Coordination Office Nairobi, Kenya

cc: Mr. Jorge Ocaña, UNEP/DTIE GEF Coordination Ms. Heidelore Fiedler, UNEP/DTIE Chemicals Branch Mr. David Piper, UNEP/DTIE Chemicals Branch

> Chemicals Branch, DTIE // Substances chimiques, DTIE 11-13, chemin des Anémones, CH - 1219 Châtelaine, Geneva, Switzerland Web: <u>www.chem.unep.ch</u>



Royal Ministry of the Environment

Foreign Economic Cooperation Office Ministry of Environmental Protection of China 5 Houyingfang Hutong, Xicheng District Beijing 100035, China

ATT: Mr. Wu Jianmin, Division I	Director			96 7 · · · · ·
Your ref	Our ref 200500190	222 / -/GLI	Date	0 9 FEB 2012

Dear Yours,

We have received the UNEP-TIE draft for the GEF Pilot Project on the Development of Mercury Inventory in China. We note that the project can make use of the case study "Capacity Building for Reducing Mercury Pollution" that we are funding with USD 800 000 in Guizhou Province, and assume that this is a matter of utilizing the results, not of changing the project.

Although we strongly support the aims of the larger GEF project, we have not assessed its details, and hence cannot take a position on it before it is finalized and comes to the GEF Council.

We do, however, welcome and endorse your proposal to list our contribution to this project as co-financing for this UNEP/GEF Medium-Size Project.

Yours sincerely,

Vedis Vik Deputy Director General

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Gard Lindseth Senior Adviser

Postal address PO Box 8013 Dep 0030 Oslo Office address Myntgt. 2 postmottak@md.dep.no www.miljo.no Telephone +47 22 24 90 90 Vat no. 972 417 882

Department for International Cooperation Telefax +47 22 24 95 60 Our officer Gard Lindseth +47 22245807

陕西省环境保护厅

融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞排放 清单编制试点项目"。根据你中心发布的融资意向公告,我厅决定参 与汞排放清单编制试点项目,并承诺提供实物配套12万美元,人员 工资3万美元,办公设备2万美元,办公室租赁4万美元,差旅费1 万美元,办公费用3万美元,共计25万美元作为开展汞排放清单编 制试点项目的融资支持。

若我厅可以参与该项目的实施,我厅承诺提供25万美元的融资 支持,以确保项目顺利实施,尽快完成汞排放清单的编制。



湖南省环境保护厅

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关于参加中国典型省份汞排放清单编制试点项目的 融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞 排放清单编制试点项目"。根据你中心发布的融资意向公告, 我厅决定参与汞排放清单编制试点项目,并承诺提供办公室租 赁费4万美元,办公设备3万美元,人员工资3万美元,差旅 费2万美元,会议费3万美元以及实物配套10万美元,共计25 万美元作为开展该项目的融资支持,以确保项目顺利实施,尽 快完成汞排放清单的编制。



贵州省环境保护厅

融资配套承诺函

环境保护部环境保护对外合作中心:

我厅获悉你中心正在开发全球环境基金"中国典型省份汞排 放清单编制试点项目"。根据你中心发布的融资意向公告,我厅 决定参与汞排放清单编制试点项目,并承诺提供实物配套 13 万 美元,人员工资 3 万美元,会议费 2 万美元,办公设备 1 万美元, 办公室租赁费 2 万美元,差旅费 3 万美元,以及打印等办公费用 1 万美元,共计 25 万美元作为开展汞排放清单编制试点项目的融 资支持。

若我厅可以参与该项目的实施,我厅承诺提供 25 万美元的 融资支持,以确保项目顺利实施,尽快完成汞排放清单的编制。

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陕西省环境保护厅

融资配套承诺函

环境保护部环境保护对外合作中心:

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若我厅可以参与该项目的实施,我厅承诺提供25万美元的融资 支持,以确保项目顺利实施,尽快完成汞排放清单的编制。



October 25, 2011

To: Ms. Fang Li Deputy Director General Foreign Economic Cooperation Office Ministry of Environmental Protection, P.R.C. No.5, Houyingfang Hutong, Xicheng District Beijing 100035, China,

Subject: Pilot Project on the Development of Mercury Inventory in China

Dear Ms. Fang,

Upon your announcement for co-finance for the captioned project, we, Shaanxi Provincial Environmental Protection Bureau, are committed to providing co-finance of 120,000 USD in kind, 30,000 USD for employee salaries, 20,000 USD for computer renewal, 40,000 for office rent, 10,000 USD for business travel, 30,000 USD for office supplies, which will be 250,000 USD in total.

We are pleased to confirm a contribution of 120,000 USD in kind and 130,000 USD in cash for this project.

Sincerely yours,

Hao Junliang Division Director Shaanxi Provincial Center of Solid Waste Management No. 112, Xiying Road Xi'an, China

环境保护部环境保护对外合作中心

Commitment Letter for co-financing

Subject: Medium-Size Project of Pilot Project on the Development of Mercury Inventory in China

In order to enhance the capacity to control and reduce mercury pollution in China and guarantee the project goes smoothly, Foreign Economic Cooperation Office of Ministry of Environmental Protection (FECO/MEP) pledges supplying 1 million USD as co-financing during the two-year implementation period of the captioned project (2012-2013), among which:

- 1) 0.3 Million USD in kind and 0.2 million USD in cash covered by FECO/MEP
- 0.12 Million USD in kind and 0.13 million USD in cash supported by Shaanxi Provincial Environmental Protection Bureau
- 0.1 Million USD in kind and 0.15 million USD in cash supported by Hunan Provincial Environmental Protection Bureau
- 0.13 Million USD in kind and 0.12 million USD in cash supported by Guizhou Provincial Environmental Protection Bureau

Note: The project will choose two provinces from Shaanxi, Hunan and Guizhou.

The co-financing will be allocated yearly according to the project plan and progress.

Sincerely yours, Fang Jar Deputy Director General Foreign Economic Cooperation Office Ministry of Environmental Protection of China 5 Houyingfang Hutong, Xicheng District Beijing 100035, China Tel: 86 10 82268806 Fax: 86 10 82200510



Royal Ministry of the Environment

Foreign Economic Cooperation Office Ministry of Environmental Protection of China 5 Houyingfang Hutong, Xicheng District Beijing 100035, China

ATT: Mr. Wu Jianmin, Division I	Director			96 7 · · · · ·
Your ref	Our ref 200500190	222 / -/GLI	Date	0 9 FEB 2012

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We do, however, welcome and endorse your proposal to list our contribution to this project as co-financing for this UNEP/GEF Medium-Size Project.

Yours sincerely,

Vedis Vik Deputy Director General

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Gard Lindseth Senior Adviser

Postal address PO Box 8013 Dep 0030 Oslo Office address Myntgt. 2 postmottak@md.dep.no www.miljo.no Telephone +47 22 24 90 90 Vat no. 972 417 882

Department for International Cooperation Telefax +47 22 24 95 60 Our officer Gard Lindseth +47 22245807



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



Email contact: Heidelore.fiedler@unep.org Our Ref: UNEP GEF Hg (HF) Date October 12, 2011

Subject:

UNEP/DTIE, Chemicals Branch co-financing towards the project "Pilot Project on the Development of Mercury Inventory in China"

Dear Ms. Niamir-Fuller,

The Chemicals Branch of UNEP's Division of Technology, Industry and Economics (UNEP/DTIE) has assisted the Government of China, Ministry of Environmental Protection (MEP), and the UNEP/DTIE GEF Coordination Team in the development of the above-mentioned project. Further, the Chemicals Branch has committed towards the executing agency, the Foreign Economic Corporation Office of MEP, to support the implementation of this project.

On behalf of the United Nations Environment Programme, Division of Technology, Industry and Economics, I hereby confirm that the UNEP Chemicals Branch's co-financing contribution to this project is up to USD 250,000 over the 24 months period of the project. This contribution comprises the following for the execution of the project:

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- USD 40,000 in-kind contribution from a SSFA between UNEP and MEP for implementation of activities in relation to a project on mercury in products; and
- USD 125,000 staff time corresponding to roughly 10% of two P4 positions and one P3 and 5% each from two P5 positions.

We hope that the contribution of DTIE/Chemicals Branch will help to get the project approved by the GEF Secretariat.

Yours sincerely,

Timothy J. Kasten Head Chemicals Branch Division of Technology, Industry and Economics (DTIE)

Ms. Maryam Niamir-Fuller Director, GEF Coordination Office Nairobi, Kenya

cc: Mr. Jorge Ocaña, UNEP/DTIE GEF Coordination Ms. Heidelore Fiedler, UNEP/DTIE Chemicals Branch Mr. David Piper, UNEP/DTIE Chemicals Branch

中华人民共和国财政部 Ministry of Finance, People's Republic of China

January ZO , 2012

To: Ms. Maryam Niamir-Fuller GEF Executive Coordinator United Nations Environment Programme PO Box 30552 Nairobi, Kenya

Subject: Endorsement Letter for Pilot Project on the Development of Mercury Inventory in China

In my capacity as GEF Operational Focal Point for China, I confirm that the above project proposal (a) is in accordance with the government's national priorities and the commitments made by China under the relevant global environmental conventions and (b) has been discussed with relevant stakeholders, including the global environmental convention focal points.

I am pleased to endorse the preparation of the project proposal with the support of the GEF Agency listed below. If approved, the proposal will be prepared and implemented by Foreign Economic Cooperation Office of the Ministry of Environmental Protection.

The total GEF financing being requested for this project is USD 1,100,000, inclusive agency fees for project cycle management services associated with the total GEF grant. The GEF financing requested for China is detailed in the table below.

Source of	CER Anone	Proved A river	Amount (in US dollar)					
Funds	GEF Agency	Focal Area	Project	Fee	Total			
GEFTF	UNEP	Persistent Organic Pollutants	1,000,000	100,000	1,100,000			
Total GEF	Resources		1,000,000	100,000	1,100,000			

Sincerely yours,

Jiandi Ye

GEF Operational Focal Point for China International Department Ministry of Finance, P.R.C

> San Li He ST., Xicheng District, Beljing 100820, People's Republic of China Tel: (86-10) 6855-1121 Fax: (86-10) 6855-1125

Appendix 12: Co-financing commitment letters from project partners

Appendix 13: Endorsement letters of GEF National Focal Point

Appendix 14: Draft Procurement Plan

To be provided during the project inception workshop