REPUBLICA DE COLOMBIA
MINISTERIO DE RELACIONES EXTERIORES

TELEFAX

Bogota, June 30, 2004

Mr. Len Good
Chairman and CEO
Global Environment Facility (GEF)
Washington D.C.

Dear Mr. Good:

For the purpose of establishing the goals for a seminar about the proposal for a new allocation system of GEF resources, which was discussed during the 23rd Meeting of the GEF Council, in May, 2004, we would like to suggest the following topics, which are consistent with the positions previously expressed by the constituency composed by Brazil, Colombia and Ecuador:

1. Compatibility with the GEF Instrument, particularly with paragraphs I.2, I.4 and primarily with paragraph I.9 (Eligibility);

   Comments: the aforementioned paragraphs about "Basic Provisions" in the GEF Instrument establish criteria for countries to have access to GEF resources based on the individual merits of each project or steps aimed at delivering global environmental benefits; the global environmental priorities of each country; and conditions to be established by the Parties to the Conventions, of which the GEF is the financial mechanism. In the event it is implemented, the PBAS would determine the allocation of resources to countries *a priori*, as a function of their "rating" based on assessment indicators for good environmental governance and the ability to deliver global environmental benefits. A country that met the criteria established by the Parties to a Convention could have access denied to some types of GEF financing, if they receive a low rating in terms of the PBAS.

2. Compatibility with the provisions of the Environmental Conventions, additional guidance given by the Conferences of Parties and MOU's signed between the COPS and the GEF to which the GEF serves as the Financial Mechanism.

Comments: The seminar is to take fully into account the provisions of the Conventions, any Convention guidance given by the Conference's of Parties and the MOU's signed between the GEF and COP's to which the GEF serves as "the" or "a" financial mechanism. These are legally binding documents which, in detail, outline the purpose of the GEF and the purpose it has with the Conventions.

3. Reporting the results of similar experiences in other multilateral organizations or funds;

   Comments: one of the alternatives proposed by the GEF Secretariat, in a document supporting the discussions for the 23rd Meeting of the GEF Council, was the adoption of the Country Policy and Institutional Assessment (CPIA) of the World Bank. Thus, it would be worth planning to have this and other experiences presented at the seminar, including testimonies of experts from developing countries that have participated in the assessment and implementation of projects using the CPIA outside the environmental area.

4. The cost effectiveness of implementing the new system;

   Comments: it would be worth assessing the additional estimated costs involved in the implementation of the new system, in terms of infrastructure and personnel, as well as benefits that are expected from efficiency in allocating funds.

We will be sending a more detailed proposal by July 12, as per the request sent by me yesterday.

Sincerely,

María Andrea Albán.

Ma. Andrea Albán
Council Member