

March 3, 2005

Non- paper towards a draft decision on RAF by interested parties

Based on policy recommendations of the third replenishment

Consistent with the GEF instrument and conventions

Reflecting Council decisions at May 2003, November 2003, May 2004 meetings:

Based on assessments of country potential to generate global environmental benefits as described in the UNFCCC and UNCBD and assessments of country level performance.

The Council, having reviewed document GEF/C.24/8, Resource Allocation Framework, agrees to implement a resource allocation framework as described in the document, with the following understandings:

1. To begin implementation of the screening approach with the first work program immediately following this decision/vote; and
2. The RAF will evolve to a country and group allocation at the latest by the next Assembly, and taking into consideration the following:
 - (i) At least [48] percent of resources available for biodiversity and [62] percent of resources available for climate change would be allocated to individual countries based on a country's global environmental potential in the focal areas and on country capacity;
 - (ii) Benefits and capacity would be assessed only with data and indicators that are publicly disclosed;
 - (iii) Country capacity would be measured by a project-portfolio sub-index and an enabling environment for GEF project success sub-index. [In order to suit the unique mandate and priorities of the GEF]:
 - a. EEI would include indicators to be determined based on 1 to 8 as outlined in the Discussion Note distributed for the March 2005 Council consultations, [addressing *inter alia* policies and institutions for environmental sustainability, governance and macro-economic policy] [addressing policies and institutional issues in order to suit the unique mandate and priorities of the GEF];
 - b. PPI would be based on a review of the current portfolio of GEF projects and also of the completed World Bank environment-related projects;

- (iv) The issue of arrears of GEF 2 and GEF 3 would be settled;
- 3. Any further development of the approach will be subject to a decision by the Council following a review of the experience in implementing the approach described above.