

**Draft Notes/June 5: GEF Sub-Regional Consultation
North Africa, Middle East, South and West Asia
Alexandria, Egypt. 18-19 May 2006**

Day 1, 18 May 2006

Opening Session

Opening Statement

On behalf of the GEF Secretariat (GEF Sec), GEF Implementing Agencies (IAs) and Executing Agencies (EAs), Chairman Gonzalo Castro of the GEF Sec welcomed the delegates to the Sub-Regional Consultation for North Africa, Middle East and South and West Asia. He expressed gratitude to all for coming, praised the high-level governmental as well as NGO representation from so many countries, and thanked the Government of Egypt for hosting.

Mr. Castro noted that this sub-regional consultation is the third of a series to be held globally. Its purpose is two-fold: (1) to better inform and discuss with GEF partner countries, significant changes within the GEF environment including the new Resource Allocation Framework (RAF) that comes into effect 1 July 2006, and (2) to identify needs and areas for capacity building interventions to support GEF Operational Focal points (OFPs), particularly in light of their enhanced roles under the new RAF. GEF was there to listen to their concerns, promote dialogue and act as 'messengers'.

Mr. Castro briefly re-counted the history of the GEF, emphasizing its importance in assisting countries in coping with global environmental issues. Since its establishment 15 years ago, GEF funded some 1,750 projects with over six billion USD, leveraging over 20 billion USD. In that time, however, various trends in the international environment and development community, and changes brought about by new environmental conventions, necessitated changes to GEF policies and approaches.

The newest change is the Resource Allocation Framework (RAF) -- a mechanism geared to enhancing the role of beneficiary countries in their ownership of GEF projects. Accordingly, the RAF necessitates discussion and analysis of its implications for countries involved, and discussion on how to tap into potential opportunities brought about by the RAF.

Mr. Castro emphasized that the role of FPs will become even more critical under the new RAF with respect to interface, facilitation, coordination and planning of GEF resource allocations and the securing of co-financing. He indicated that effectively implemented changes under the RAF may enable countries to play a more active role in the GEF and to better plan and coordinate at the national and regional levels. He also looked forward to a robust GEF replenishment for GEF-4.

Mr. Castro recognized that many questions and issues may arise with respect to the operational details in implementing the RAF and that there may be insufficient time to address all of these issues during the formal sessions over the two-day consultation; however, participants were assured that the GEF Sec and IA/EA representatives would be available outside of the formal sessions to respond to these questions and provide clarifications, and that they would not be “left alone” to manage these changes and next steps. Mr. Castro ended his opening remarks by assuring delegates that the GEF and its IA/EAs are available to support and work with the countries to ensure better ownership of GEF projects at the country and regional levels.

Delegate Introductions

Delegates introduced themselves. Attendees included GEF operational and political focal points and NGO representatives for countries in North Africa, Middle East and South and West Asia, and representatives from the GEF Secretariat and the GEF Implementing and Executing Agencies. (*See Annex I: Final Participant List*)

Agenda Review

Mr. Castro clarified the agenda with delegates, noting that it had been tried and tested satisfactorily in the previous two regional consultations. An Egyptian delegate requested that Friday lunch be extended to 1.5 hours to allow for Islamic prayers, which was agreed. Mr. Gold, Global Manager of the National Dialogue and the Country Support Program, added that discussions would be simultaneously translated into English, Arabic and French, and that a number of support documents were also available in the hall and in participant’s dossiers in all three languages.

NGOs requested a separate time slot to present their comments. Mr. Gold responded that there would be many opportunities for NGOs to participate and intervene, and that they would be invited to form their own working group and then present their findings and comments in the plenary or join country groupings during the meeting (this was done in earlier sub-regional consultations as well).

Host Country Introductory Statement

On behalf of the Government of Egypt, H.E. Minister Majed George, Egypt’s Minister of Environment, welcomed delegates to the sub-regional consultation. Mr. George encouraged all delegates to strive for improving the global environment. He recognized the important need for GEF to assist countries with implementation of the three global conventions for biodiversity, climate change and desertification, and that efforts related to all three should be linked together.

It is important that the needs of all stakeholders be internalized into action plans. For this reason, Egypt established a National Steering Committee including experts, the private sector and NGOs and conducted a strategic self-assessment procedure to maximize

benefits. He added that the GEF has been effective in assisting Egypt with its convention commitments, especially through the implementation of 19 projects with IAs.

Presentation: “GEF Update”

Tim Clairs (UNDP/GEF) and Sam Wedderburn (World Bank)

The presenters recounted and elaborated on GEF’s history, institutional framework, replenishment cycle, focal areas and respective strategic priorities and relevant conventions; multi-pronged capacity building approach; Scientific and Technical Advisory Panel (STAP); project eligibility criteria; funding categories; project cycle, and important recent developments/directions including new funds for Adaptation.

Key Points

- The next General Assembly Meeting will take place in South Africa in August 2006.
- The GEF has spent about USD 9 billion on projects since its inception in 1991. GEF-4 funding (replenishment) for the period 2006-09 is currently under negotiation.
- GEF is the designated ‘financial mechanism’ for the international conventions of biodiversity, climate change and POPs, and a designated ‘financial mechanism’ for the convention on desertification.
- Biodiversity and climate change take up about two-thirds of the entire GEF Portfolio.
- Until two years ago, GEF mainly addressed Climate Change Mitigation. New funds have been created to address Climate Change Adaptation. Three of the four related ‘Funds’ require no global benefits.
- Regarding eligibility requirements, projects should be ‘country-driven’, governments should endorse priority proposals, projects should produce global benefits, and should include the participation of all affected groups to maximize transparency.
- The advent of RAF results in no change to GEF project eligibility criteria/requirements.
- GEF should not be viewed as a sole financier but rather as a co-financier that plays a catalytic role in co-financing. No definitive ratio for co-financing exists; however, recent studies have indicated that over the course of GEF, the average co-financing ratio has been approximately 4.5 to 1.
- The ‘Development Marketplace’ is a new funding mechanism. Winning NGO projects, endorsed by OFPs, were recently announced under the themes of energy and water.
- The ‘Small Grants Programme (SGP)’ is the most visible GEF program, operating at the community level with numerous successes.
- The GEF Project Cycle typically takes about 4-5 years.

- The independent GEF Evaluation Office was recently established and is leading a joint evaluation of the GEF project cycle and intends to undertake impact assessment studies in the near future.
- GEF has adapted a multi-pronged capacity building approach including inter alia the National Capacity for Self Assessment (NCSA) that may result in stand-alone capacity building projects or inclusion of capacity building activities in projects.

Presentation: “Synergies between the global environmental conventions and their impacts on sustainable development”

Frank Pinto, Executive Coordinator, UNDP-GEF

Mr. Pinto said that the GEF and its agencies have had successes related to individual global environmental conventions such as the Montreal Protocol. However, environmental ‘inter-linkages’ and an integrated approach between them have been largely ignored. A number of existing inter-linkages between global environmental issues, such as between climate change and biodiversity or between water bodies and land degradation, were then described.

The cause was partially because donors refused to allow the ‘mingling’ of different convention objectives. The GEF was no exception with very few inter-linkages reported between projects. Governments, agencies and convention focal points, as well as inherent disincentives in the GEF project cycle, were also found preventive. The challenge is to ensure how inter-linkages can be better reflected in the design and implementation of GEF projects. This need is now recognized and fully supported by GEF and its key agencies. GEF is likely to require such inter-linkages in future project design and implementation. Focal area counterparts should be convinced of the benefits of this approach. Egypt has already been looking into this through its national self-assessment process.

Response by H.E. Minister Majed George, Egypt’s Minister of Environment

Mr. George supported the important need to improve inter-linkages between conventions, citing as an example the negative impacts of climate change on corals in Egyptian marine environments. He stressed that no serious improvements could be made in solving environmental problems without the participation of NGOs, and that GEF should make significant contributions to developing countries for improving renewable energy use.

Questions and Answers: GEF Update and Synergies

Key Points

1. Fund distribution to Focal Areas (FA)
2. Land Degradation FA
3. GEF and the Kyoto Protocol CDM
4. FA inter-linkages

5. Success of GEF and indicators
6. Long project cycle
7. Public participation
8. SGP committees and selection process
9. Development Marketplace
10. Proposed disaster rapid response mechanism
11. Assuring project sustainability

Q1: A number of questions related to how GEF prioritizes and distributes its efforts among Focal Areas (FAs). Work in the areas of biodiversity and climate change was clearly using up most GEF funds, and they apparently would continue to do so under the new RAF system. Is this not insufficient and inequitable related to other FAs? For example, why was land degradation getting such a small share of the pie, and would it continue to do so? Land degradation was clearly an area of high importance especially for the African and Asian regions for which more funds are needed. Participants further expressed the need to better support issues such as poverty alleviation (a national priority in many countries), technology transfers for renewable energy, and efforts in the Mediterranean Sea.

A1: Historically, the biodiversity and climate change FAs have always taken a larger share of the GEF portfolio, so it's a historical measure why the land degradation portfolio is relatively smaller. Also, land degradation was formerly a component under the biodiversity portfolio and only recently became separate. While the figures are not yet decided for the GEF-4 replenishment, it is expected that funds will increase for land degradation.

Q2: Why was GEF the financial mechanism for biodiversity and climate change while only a mechanism for land degradation?

A2: There are other mechanisms related to land degradation including the 'Global Mechanism' which try to mobilize funding from other sources. GEF works with these other mechanisms. Furthermore, many countries are at the point of finalizing their national action plans for this FA – those that are not are getting UNDP-GEF support.

Q3: Does GEF have plans to begin a Clean Development Mechanism (CDM) program? Furthermore, it appears that climate change FA projects are based on country emissions -- some countries contribute low emissions but still need support for climate change issues.

A3: GEF has no mandate to implement the Kyoto Protocol or therefore to prepare projects for CDM or carbon trading. However, GEF Sec proposed that GEF resources be used as guarantees and compliments to CDM projects. Low-emission countries may in the end get less RAF funds than high-emission countries, but other funds are available to them such as the SPA and Adaptation Funds outside the RAF.

Q4: Related to Q1 above, would a more equitable distribution of funds not support Mr. Pinto's earlier remarks about the need to improve inter-linkages between environmental issues, and bring this discussion from the level of talk and theory to practice and action? Furthermore, the STAP identified only nine out of 119 GEF projects that had inter-linkages in the past. If GEF IAs and EAs are supposed to be involved from the start in ensuring inter-linkages in projects, then why did they let so many projects through without inter-linkages? IAs and EAs should strengthen their roles here.

A4: Mr. Pinto replied that until three years ago, global convention secretariats were not interested in promoting synergies. At the same time, UNDP staff working on the conventions were trained and specialized for individual conventions, and when they were asked to assess synergies between conventions, it naturally took time to make such a switch. The result was that UNDP staff discovered in GEF-3 that potential synergies had been identified but were not taken into account because of inherent disincentives in the project cycle. One reason why incentives are missing is because it is easier to formulate a project for just one focal area (e.g. climate change) than to include linkages. In GEF-4, the intention is to improve this.

Q5: Numerous remarks were posed related to measuring the success of GEF projects. GEF noted that it had spent close to USD 6 billion so far on projects, but how much impact had that had on the environment, for example in stopping habitat loss? Are there any figures for this? Has there been real success? Is the situation improving or worsening? Linked to this question, what criteria does GEF use in defining 'global environmental benefits'? This is important because part of the country eligibility requirements for receiving funds depends on their performance in providing such 'global environmental benefits'. Furthermore, what criteria are used by GEF to judge projects once completed and who communicates lessons learned between projects?

A5: The identification of 'indicators' defining global environmental benefits and project success is still incomplete and lends itself to appearing opaque. However, it is a serious issue increasingly addressed by GEF Council and donors. In the last four years, a significant amount of work has already gone into defining result indicators for some FAs, especially biodiversity. It is clear however that there is more work to be done, and the other FAs are well aware of this importance, especially for environmental benefit results. For more guidance, it was suggested that participants turn more to their IAs, as well as to GEF Annual Performance Reviews for indicators.

This is an area of discomfort among many GEF stakeholders and the Evaluation Office is taking this very seriously. The Office will be looking into assessment issues more in detail in the near future, especially terminal evaluations, and reporting its findings to Council. Things are improving but there is still long way to go. There is a preliminary report on performance appraisals now on the web.

Q6: There was significant concern about the GEF project cycle, in that it takes too long to get projects from conceptualization to approval and the process is burdened by unnecessary bureaucracy at the regional level. An average four-year process is just too long. Over-bureaucracy, especially within GEF Sec, paves the way for late responses, financial losses for countries, delayed co-financing and lost stakeholder interest. How much time is there between project proposal and GEF approving and releasing funds?

A6: It was recognized that there are flaws with operationalizing the project cycle and steps are being taken within GEF to improve the situation. The GEF Evaluation Office will also be looking into this question. On average, a full-sized project takes 2.5 years from concept stage to start of implementation. Some take longer (e.g. 6-7 years) while others have periods as short as a few months. Many factors affect how long this period is (e.g. government changes after election) so it's hard to say how long it will take. But the cycle is being evaluated now and hopefully it will be simplified.

Q7: The practical inclusion of the public and civil society into project design and implementation received a number of remarks and questions. It was stressed that while GEF projects should be country-driven, they should also be community-driven by people on the ground. Regarding public participation, how can a project designer know how much participation to include and among what kinds of public groups? It was also suggested that full-sized projects be made eligible for NGO implementation.

A7: Public participation and the involvement of civil society in GEF projects and consultations are very important. Project proposals should explicitly include, in their designs and strategies, how the public and civil society will be involved in project implementation, and these elements are reviewed by project evaluators and feedback is provided back to project designers. Designers are further encouraged to use existing Project Development Funds (PDFs), especially for the inclusion of public participation processes into proposals. At the same time, it was noted that not all projects include a community level dimension (e.g. some climate change projects).

Q8: It was suggested that NGOs should be better included in GEF Small Grant Programme (SGP) National Steering Committees to ensure effective NGO input. SGP selection should be more transparent. Selection criteria are ambiguous and processes should be improved as Steering Committees have been found to exclude good proposals and not adequately include NGOs. How might the SGP access more funds?

A8: The SGP is unique in structure. Neither the GEF Sec nor UNDP are involved in National Steering Committees. They are totally country-driven but should get advice from IAs. One goal is for them not to include only the largest NGOs. There should also be turnover in committees to keep them from being stale. There have been complaints from people about not getting onto a committee, even from ministers. Rotation is one means to try and solve this. Each country should have its own strategy on how to select grant winners and this should meet GEF guidelines.

Under the RAF, a national consultative process should prioritize how to use a country's allocation, and the decision can be made for part of this to go to the SGP.

Q9: What is the difference between the new 'Development Marketplace' and the SGP'?

A9: The Development Marketplace provides access to funds for NGOs in addition to the SGP. Funding levels are different for the two funds – the Development Marketplace limit is USD \$200,000 while SGP funds tend to be smaller. The Development Marketplace provides better scope for public participation, its criteria are different than those for SGP with a new theme each year, and innovation is a very important criteria. Each year, the World Bank calls for 'International Development Marketplace' proposals, invites short-listed candidates to exhibit their ideas in Washington, and finalizes selection through a panel, concluding May of each year. There are similar procedures for 'National Development Marketplaces'. Participants were encouraged to visit the WB website for more information.

Q10: Can GEF consider developing a 'rapid response mechanism' for environmental disaster relief? Disasters related to land degradation in particular through drought are having significant impacts on the environment and poverty in African and Asian developing countries, many of which do not have adequate national response systems. Efforts in this regard could support the call for better inter-linkages between FAs.

A10: New GEF Adaptation Funds being developed now can provide a framework for short-term disaster response as well as for the long-term forecasting of disasters.

Q11: How can project sustainability be assured once the project has ended?

A11: Regarding sustainability, country ownership of projects is increasingly important so projects should be financially sustainable. Project proposals should include measures to ensure sustainability, including sustainable institutions and social acceptability.

Presentation: "Introduction to the Resource Allocation Framework (RAF)" Kiran Pandey, GEF Secretariat

The context for the presentation was the GEF Council's decision adopting the Resource Allocation Framework (RAF) to allocate resources in the biodiversity and climate change Focal Areas during the 4th replenishment of the GEF (GEF-4). In adopting the RAF, the Council asked the GEF Secretariat to consult with countries regarding its implementation.

Mr. Pandey pointed out that the RAF changes the way GEF resources are managed with an enhanced role for Operational Focal Points (OFPs). As a result, it was essential for

OFPs to fully understand the RAF and its implementation so that they could effectively utilize these resources for the benefit of their respective countries and the global environment.

Mr. Pandey indicated that, since the system has already been adopted by the Council, he would not be discussing the merits or the demerits of the adopted system during the presentations. Instead, the appropriate forum for such a discussion is at the mid-term review of the RAF which will be conducted independently by the GEF Evaluation Office in two years as agreed by the Council when adopting the RAF.

He also requested participants to discuss specific issues related to individual projects, their status and the implications of the RAF for individual projects with the relevant representatives from the IAs during the numerous breaks before and after the formal sessions of the consultations.

The presentations on the RAF consisted of two parts. The first presentation was focused on providing an understanding of the RAF, while the second presentation was focused on how resources would be managed under the RAF and the informational support that the GEF would provide OFPs. Some of the other types of the support to OFPs for implementing the RAF would be discussed during the second day of the consultations.

After a brief introduction on the origins and development of the RAF, Mr. Pandey presented details on the indicators used for determining country and group allocations under the RAF. He also highlighted a number of specific additional features of the RAF.

Key Points:

- Main changes resulting from the RAF: countries know upfront how much money they can program; OFPs have an enhanced role in facilitating consultations for national priority-setting; and increased transparency in the allocation process.
- What has not changed: convention guidance remains primary determinant for GEF funding priorities; countries prepare projects in line with GEF Operational Programs and Strategic Priorities; project cycle and technical project review criteria.
- Allocations to countries and the group for each 4-year replenishment period are based on a formula with adjustments for ceiling and minimum allocations.
- The allocation formula is based on ‘global environmental priorities’ and ‘country-level performance’ which are measured by the GEF Benefits Index (GBI) and GEF Performance Index (GPI) respectively.
- The GBIs for biodiversity and climate change are determined separately based on indicators relevant to global environmental priorities in the respective focal areas.
- The same GPI applies to both focal areas. It is based on the relative success of GEF projects in the country’s project portfolio (10%); an assessment of policies and institutions in the environment sector (70%); and an assessment of a broad framework of policies and institutions largely focused on governance (20%). The last two items are borrowed from the World Bank’s Country Policy and Institutional Assessment (CPIA) used for allocating IDA resources.

- The starting point for the RAF is the Focal Area envelopes for biodiversity and climate change as agreed to in the replenishment agreement. Both envelopes are distributed in a similar manner:
 - 5% for Global and Regional projects
 - 5% for SGP and Cross-cutting capacity building projects
 - 90% to individual countries and the group (of which at least 75% are to individual countries and the remainder to groups)
- The Group enables countries with the least allocations to pool their resources for developing larger projects, when it is beneficial to do so.
- The ceiling for each country is 10% of the biodiversity envelope and 15% of the climate change envelope.
- The minimum allocation for each country is \$1 million for each focal area for the 4 year period.
- Allocations to a country and the group are not entitlements; they are the maximum amounts countries could receive for technically qualified projects.
- Only 50% of the 4-year allocation may be ‘utilized’ in the first two years. Countries can carry over amounts not utilized in the first two years and utilize these resources in the final two years of GEF-4.
- After two years, the formula is re-applied using updated GBI and GPI data to determine new allocations for all countries and the group for the final two years.
- The RAF will be reviewed:
 - independently by the GEF Evaluation Office after two years of implementation (Mid-Term Review)
 - in conjunction with OPS4 after four years

The Question and Answer session for this presentation was deferred until after the following presentation.

Presentation: “Managing Resources under the GEF RAF”

Kiran Pandey, GEF Secretariat

The presenter highlighted the enhanced role of Operational Focal Points in facilitating a national consultative priority setting process to manage GEF resources under the RAF, and the information support that the GEF would provide to focal points to carry out their enhanced roles.

Key Points

- The RAF affects decision-making prior to and including project concept approval. It does not affect any decisions after project approval such as project implementation.
- In April/May 2006, the GEF CEO sent OFPs guidelines on managing resources under the RAF, a list of concepts currently under various stages of development in each country, and initial indications of country and group allocations based on GEF-3 amounts.

- Final allocations for GEF-4 will be publicly disclosed after the GEF-4 replenishment has been agreed to. While the actual allocations for the country and group could be higher or lower than the amounts indicated in the letters based on GEF-3 amounts, the distribution of allocations will be similar to those in GEF-3.
- OFPs are asked to begin a national consultative priority-setting process and communicate decisions on behalf of their countries to the GEF as project endorsements or re-endorsements.
- Countries that expect project approvals in the first few work programs of GEF-4 are encouraged to send an initial list of re-endorsements by 15 September 2006.
- Countries are encouraged to endorse a sufficient number of concepts to ensure that their allocations will be utilized. (Based on historical experience, the GEF recommends over-programming levels of 130-150% of the 4-year allocation.)
- Countries need to confirm amounts to be allocated from country/group allocations towards regional projects. The IA implementing a regional project will work with participating countries to determine the appropriate burden-sharing arrangements across participating countries.
- Two illustrative examples for countries with individual allocations were used to highlight the types of decisions that countries might encounter during their priority-setting consultations.
- The preliminary allocations of the countries in the group based on GEF-3 amounts compared to the set of concepts under development were summarized for the biodiversity and climate change focal areas.
- The Rules related to “utilization” and unused allocations were illustrated to clarify its implications for countries:
 - “50% rule” -- only 50% of allocations can be committed during the first two years.
 - Unused allocations from the first two years are carried over to the next two years.
 - All remaining unutilized funds at the end of four years will revert to GEF.

Question and Answer: Both RAF Presentations

Key Points

1. RAF decided before consultation
2. Consultations follow-up
3. GEF-3 projects still in pipeline
4. Transparent disclosure of GEF-4 replenishment figures
5. RAF only for two FAs
6. Transparency of GBI and GPI indices
7. 50-50 rule and “utilizing” funds
8. Project eligibility
9. NGO involvement
10. Country vs group allocations
11. Biodiversity and climate change allocation ceilings
12. Global and regional projects

Q1: A number of participants expressed opposition to what appears to have been a *fait accompli* RAF decided prior to the sub-regional ‘consultation’. The RAF was considered to be inflexible and participants felt they were given little or no opportunity to change any aspect of the RAF, especially its hard design ‘rules’ such as the 50% rule.

A1: The GEF Council struggled through a difficult process of reconciling many strong views in developing the RAF during five Council meetings and two special consultations over three years. All countries were represented during these meetings by Council members who represented their constituencies. The Council adopted the specific framework described in the first presentation. The GEF Secretariat was here to clarify any issues regarding the adopted system and not to discuss the merits or demerits of the adopted system. The Council also asked the Secretariat to consult with countries regarding the implementation of the system.

The Secretariat together with the agencies had developed a set of guidelines for implementing the RAF which was discussed during the second RAF presentation. The Secretariat and the agencies will assist countries with the implementation of the RAF. The Secretariat has no flexibility in terms of the design of the RAF system and cannot interpret it differently from how it was adopted. Participants were asked to address any issues related to changes in the system during the mid-term review and to the Council, as needed. The Secretariat and the agencies had 100% flexibility in implementing the RAF and would work closely with the countries to adapt and adjust the implementation of the RAF based on the specific concerns of countries. If the new system is not workable, then GEF Sec would let the Council know. But this would not be known until the GEF and agencies and the countries had implemented the adopted system. Now was the time to make the adopted system work.

Q2: Participants followed up and indicated that the GEF Secretariat had a responsibility to deliver their views and concerns to the Council, especially the need for more flexibility, given that this was a consultation with countries about the RAF and its implementation as requested by the Council.

A2: The GEF representatives agreed that the views expressed during all of the consultations should be delivered to the Council. The Council had asked the GEF Secretariat for periodic updates on progress in implementing the RAF. For example, it will be discussing the current progress at its June 2006 meeting. The minutes for all of the sub-regional consultations are being recorded and will be publicly available to all participants of the sub-regional consultations as well as to the Council.

Q3: Some countries still had unapproved projects in the pipeline from GEF-3. These were developed based on criteria established in GEF-3. As GEF-4 now had new criteria under the new RAF, participants emphasized that these projects should be reviewed and approved under the GEF-3 criteria and be funded from the resources available in GEF-3.

Participants expressed the need to be transparent regarding the funds that were left in GEF-3. If GEF-3 pipeline projects are shifted for review under GEF-4, then it is possible that the allocations of some countries in GEF-4 would already be at 100% -- it then makes even less sense for countries to send GEF proposals totaling 130% or 150% of a country's allocation, as suggested by GEF.

A3: Typically, it takes a number of years to develop concepts into projects for approval. Most concepts initiated towards the end of a replenishment period are ready for approval in the subsequent replenishment period. This was true in the transition from GEF-2 to GEF-3. It will certainly be the case in the current transition from GEF-3 to GEF-4. Since the GEF Council began discussing the adoption of the RAF, all of the business plans of the GEF have clearly indicated that projects entered into the pipeline for approval would need to be re-examined based on the agreed final design of the new RAF system. The RAF as approved by the Council does not contain any transition provisions for projects that are not approved prior to its introduction at the beginning of GEF-4.

Since it does take time to develop concepts into projects, countries should initiate more concepts than their 4 year allocations allow, to make way for delays in concept development and failures in developing initiated concepts. This will help ensure that their allocations will be utilized.

The June 2006 work program submitted for Council approval is the largest in GEF history and will utilize all of the remaining available resources in GEF-3. It is expected that there will be no carry-over of funds from GEF-3 to GEF-4. Any project that is in the pipeline but not in the June work program would thus face GEF-4 RAF provisions. Countries can choose whether they want to continue with these projects in GEF-4, modify them or opt for other projects in GEF-4. It is true that a few countries might encounter difficult choices if their final GEF-4 allocations are insufficient to fund all of the concepts currently under development.

Q4: Countries, expressing their concerns about a perceived lack of transparency, could not understand why GEF was not publicly releasing allocations for individual countries and the group, or how the RAF could start without a public release of the allocations for GEF-4. When would allocations be publicly disclosed?

A4: The Council extensively discussed the need for public disclosure and the goal to increase transparency. This was in fact the main driver for the adoption of the RAF in the first place. In adopting the RAF, the Council decided to publicly disclose the country and group allocations and the GBI indexes for all countries and to provide a link to the World Bank website for the CPIA data used in constructing the GPI. Further, the Council decided at its November 2006 meeting to only publicly disclose the final country and group indicative allocations for GEF-4 and not preliminary allocations. This would require the completion of the GEF-4 replenishment agreement, which is expected to be completed soon. GEF-4 resources cannot be allocated until the indicative allocations for GEF-4 have been finalized and publicly disclosed.

However, recognizing the importance and need for countries to plan, the Council asked the GEF to consult with countries on the implementation of the RAF. As part of these consultations, the GEF Secretariat sent letters to all operational and political focal points (with copies to the GEF Implementing and Executing Agencies) indicating the preliminary indicative allocations of the respective country if GEF-4 were to be replenished at the same levels as GEF-3. Countries were also provided lists of project concepts at various stages of development in their respective countries that might need to be funded from their respective allocations. Copies of these country-customized documents were distributed to all of the participants for the respective countries to focus the attention of participants on the specific issues facing their respective countries. Participants were also reminded that the preliminary allocations shown in those letters could be higher or lower than the final amount based on the GEF-4 replenishment agreement.

Q5: Participants questioned why only the biodiversity and climate change Focal Areas were included under the RAF. What criteria were used to decide this? It seemed unfair, especially for the land degradation Focal Area.

A5: The recommendation for the initial application of the RAF to biodiversity and climate change only was made by a Technical Working Group constituted by the Council in 2003. This recommendation was based on the difficulty of developing a GEF-wide GBI indicator and GBI indicators for the other focal areas. Biodiversity and climate change were considered the easiest and most feasible areas and were the well established areas accounting for two thirds of GEF resources. The Council accepted these recommendations. In adopting the RAF, the Council also asked the GEF Secretariat to begin developing indicators for the remaining focal areas with the objective of potentially expanding the RAF to these focal areas in GEF5.

Q6: A number of participants raised a series of questions related to the new GBI and GPI indices. First, participants were generally confused about the design of the indices (for instance why 70% for environment under GPI?) as well as the use of the indices. They expressed the fear that the indices might over-magnify or undermine the performance ratings of a country. Second, participants could not find any online information about updated GPI information, nor understand how GPI figures were calculated for their countries and questioned its transparency. Third, participants inquired whether countries were involved in making calculations or whether GPI information would be made public. They thought that countries should have been consulted beforehand. Fourth, participants were not sure whether the environment sector index was the same as the Country Environment Assessment conducted by the World Bank. Finally, there was also a lack of understanding as to why and how questionable data from WWF, particularly for the 'ecoregion' indicator, was used in the GBI.

A6: The indicators used to compute the GBI, GPI and the formula used to compute the allocations were extensively debated and are the outcome of lengthy discussions and negotiations by the Council. The final outcome explaining the specific indicators and formulas to be used as decided upon by the Council are spelled out in detail in a November 2006 Council document. These have been provided to all participants in electronic form in the CDs in their dossiers. The CD also contains the document in a number of international languages. This document and its translations are also available on the GEF website. Background documents leading up to the final Council decisions and discussions are also available on the GEF website.

After lengthy discussions, the Council agreed that the appropriate method for computing the GPI is 10% through project portfolio, 70% for environment and 20% for broad framework (largely reflecting a country's governance). The environment and broad framework indicators are based on World Bank assessments of a country's policies and institutions (CPIA). The CPIA is conducted by the World Bank annually. While the World Bank does consult with countries during the assessment process, the CPIA reflects the assessments of the World Bank and not of the member countries. To date, the WB CPIA data has been internal to the World Bank. The World Bank will publicly disclose these assessments for countries that are part of the International Development Association (IDA) starting this year. The GEF Council reviewed all of the available options and decided that this was the best option for country level performance at this time. It has asked the Secretariat to examine alternative indicators as part of the mid-term review.

The Environment Sector indicator based on the World Bank CPIA assessment is distinct from the Country Environment Assessment (CEA) which is also done by the World Bank for select countries on a less frequent basis. While the findings of the CEA may influence the annual CPIA data on the environment sector policies and institutions, the CPIA assessments are distinctly separate from the CEA. The CPIA is an annual assessment by the World Bank of its member countries in terms of policies and institutions in 16 areas, one of which is environmental sustainability.

As already indicated, the allocations will be publicly disclosed after the replenishment agreement is completed. GBI information for all countries will also be made publicly available on the GEF website. In addition, a web link will be provided to the World Bank website containing information on the World Bank's CPIA data based on an agreement with the World Bank.

Q7: A number of participants expressed concerns about the 50% rule. What was meant by utilization and how did it affect projects that were already being implemented? Would funds that were not disbursed within the first two-year period be lost and result in unfunded projects in the middle of implementation? What if the project's duration was only two years long? And to what extent could an allocation change in the second two years following the mid-term re-application of the two RAF indices? There was also concern as to how this 50-50 rule might make the implementation of high-cost projects

inefficient, and what was meant by using the second two-year period for “planning purposes”.

A7: Allocations are “utilized” when approvals are made, not when disbursements are made. Disbursements can be made at any time, so the duration time over which disbursements occur for a project is not important for the RAF. Once a project has been approved, the resources for the project are set aside by the trustees and it is utilized for RAF purposes. These resources will be disbursed based on the project’s implementation plan and are not affected by the 50% rule or any other provision of the RAF.

Countries might need to re-package high-cost projects into smaller components or divide them into phases across multiple periods or even replenishment periods due to the 50% rule. The 50% rule is an integral part of the system adopted by the Council. Neither the GEF Secretariat nor the IA/EAs have managerial flexibility in its implementation.

Countries can utilize only 50% of their 4-year allocations during the first two years. The remainder is only provided for informational purposes to indicate the resources that might be available to each country in the following two years if the relative GBI and GPI of countries do not significantly change. The amount provided for informational purposes cannot be used by countries to develop plans.

While project implementation typically occurs 2.5 years after pipeline entry, the relevant time period for RAF is when projects are entered into a work program. Projects typically enter the work program for approval by the Council about 1.5 years after they have entered the pipeline. Since resource utilization under the RAF is based on approvals, projects that are initiated at the beginning of GEF-4 could be approved in 1.5 years, and hence would not be as constraining vis-à-vis the 50% rule. Projects initiated during the second two years would typically be developed for GEF-5 instead of GEF-4. In any case, the RAF introduces the need to start planning early. At the same time, as noted earlier, it is clear that project approval duration should be shortened.

Q8: There was confusion about project eligibility criteria. Would the RAF take into account major differences between countries such as size, population and poverty level? There seemed to be an arbitrary and inequitable approach in classifying countries. Specifically, whereas the West Bank and Palestine have previously been eligible for GEF funding, they are now considered ineligible in the current documents and this is unfair.

A8: The RAF does not change the project eligibility criteria. The RAF is based on the GBI and GPI. The GBI already includes information on the relative size of countries based on their potential to generate global environmental benefits. During its deliberations and discussions, the Council did consider the inclusion of poverty level, but did not include an explicit measure in the final adopted decision.

The GEF representative proposed that the Palestine issue be discussed bilaterally instead of during the plenary which was accepted by the representative from Palestine.

Q9: There was also significant concern about the apparent lack of guarantees for NGO involvement in the RAF, especially as consultations from last year had shown the importance of NGOs for project success. Is the RAF open to NGOs or only to governments? Can NGOs apply directly or only through official channels? It was noted that government and NGOs often have different priorities.

A9: The GEF has historically supported and encouraged the participation of NGOs and has created special opportunities and expedited procedures (e.g. Medium-Sized Projects and Small Grants Program) to strengthen NGO participation. The participation of civil society is important for the GEF and the GEF has an explicit policy on public consultations including civil society for the development of projects. Under the RAF, OFPs have an enhanced role to facilitate such consultations with stakeholders including NGOs as highlighted during the presentation. The RAF directs allocations to countries where projects are endorsed by OFPs who are often hosted within government offices. It is plausible that NGOs may find it more difficult in getting an initial endorsement for their projects under the RAF in light of the explicit choices that OFPs need to make on behalf of their countries. It is also plausible that NGOs that are able to obtain the initial endorsement increase the chances that the endorsed projects will be approved because the initial endorsements are based on the national consultative process. It is difficult to predict the precise impacts of the RAF on NGO participation and NGO-led projects. The GEF will monitor the impact of the RAF on NGOs for any negative impacts.

Q10: How does the GEF decide whether a country receives an individual allocation or falls into a group?

A10: Countries are ranked based on the scores determined by applying the formula to the GBI and GPI indices. The lowest scoring countries are placed in the group. The highest scoring countries, which cumulatively account for at least 75% of available resources, receive individual allocations.

Q11: When is it possible to know what the 10% and 15% ceilings for biodiversity and climate respectively change will be, and how an individual country can reach that level?

A11: The ceilings ensure that GEF resources do not all go to a few countries. They do not determine the indicative allocations of a country which are based on the GBI and GPI indicators only. The indicative allocation for a country whose allocation would exceed the ceiling based on the formula will be reduced to the level of the ceiling.

Q12: One participant stated general confusion related to the global and regional projects under the RAF. He questioned the essential usefulness of such projects and requested

further clarity as to who decides on funding levels for such projects and where funds originate from.

A12: Global projects are funded out of the 5% of funds set aside for global and regional projects. Some or a portion of the regional projects can also be funded from the 5% set aside for global and regional projects. The portion of a regional project that can be funded from the 5% set aside for global/regional projects is based on a set of clearly defined criteria as established by the CEO. This is included in a paper currently before the Council. Regional projects will be funded from the contributions made by participating countries and the funds made available from the 5% set aside for global/regional projects. The agency implementing the project will work closely with the participating countries to determine the burden-sharing arrangements that are mutually acceptable to all parties.

Day 2: 25 April 2006

Presentation on “Briefing on the Country Support Program (CSP) for Focal Points” Stephen Gold, UNDP/GEF; Abdul-Majeid Haddad, UNEP

Mr. Gold recounted the history of the development of the CSP, its objectives, implementation process and budget. The CSP’s main objective is to help strengthen the capacity of GEF OFPs to effectively carry out their mandates for supporting GEF programs in their countries and constituencies, including the new RAF. It was developed in response to FP needs, approved in November 2005 by the GEF Council and is meant to compliment the GEF National Dialogue Initiative (NDI). The CSP is a 4-year (2006-09), 3-Component program guided by an inter-agency advisory committee.

With a total budget of USD 12 million, the majority of funds are allocated to Component 1, ‘direct financial support to focal points’, which is implemented by UNEP. Components 2 and 3, which address ‘knowledge management’ and ‘regional exchange and training workshops’, are implemented by UNDP.

Mr. Haddad elaborated on Component 1 as including:

- up to US \$8,000/year for 4 years per country
- funds for travels to two constituency meetings/year for each constituency
- funds for new FP participation in GEF familiarization seminars

To obtain direct financial support, Mr. Abdul said that participants should already have received letters explaining the required MoU, procedures for transferring funds, and reporting. The letter also explained the required Annual Work Plan to be submitted to GEF Sec by FPs for approval, and included possible Work Plan activities.

Mr. Gold elaborated on Components 2 and 3. Component 2’s end product, the web-based ‘Knowledge Management (KM) Framework’, will be based on existing KM frameworks, other national strategies (e.g. NCSAs), and needs expressed during this series of sub-regional consultations. Activities will include the development of new guidance and

information materials (including lessons learned) which can also be used at the constituency and national levels.

Mr. Gold referenced the document ‘GEF National Coordination – Lessons Learned’ as an example of a reference tool with six country experiences available in five languages. A ‘Handbook for Focal Points’ has also been developed and will be made available in the coming weeks in multiple languages.

Component 3 allows FPs to participate in ‘targeted capacity building workshops’ focused on regional exchange and trainings (e.g. to develop KM frameworks).

Questions and Answers: CSP

Key Points

1. Difference from earlier capacity building program
2. CSP vs NDI funds
3. Funds for meeting attendance
4. MoU and NEAs
5. GEF Sec approval of MoUs
6. USD \$8,000 for direct financial support
7. Adding to OFP existing heavy workloads
8. CSP primarily supports OFPs

Q1: Some participants expressed overall optimism that this new capacity-building program (CSP) would be better and more flexible than the former more restrictive program. Thanks were given to GEF Sec for having heeded recommendations from OP3, and for covering many OFP needs through the new CSP. However, there was some overall confusion as to who specifically was to benefit from the new CSP, especially the direct financial support, and in what ways. Participants also saw a gap in adequate resources to understand the new RAF, making it difficult for them to explain the system to stakeholders in their national consultations.

A1: The direct financial support is meant as a generic support mechanism for OPFs to engage in activities such as stakeholder relations and disseminating GEF information. The main difference with the new CSP is that countries now have fixed allocations for support and the OFP should facilitate a process to decide how they will be used based on a multi-stakeholder consultative process.

Q2: Is the US \$12 million total amount for the CSP to be spent on the National Dialogue Initiative (NDI)? Have future funds been designated for NDI yet?

A2: There are two main GEF pots of money for capacity building, one for NDI and the other for CSP. The CSP total amount is USD 12 million on its own. NDI activities will continue in parallel, and as a complementary process, with the CSP activities. Funding

for the NDI within the GEF-3 cycle will come to a close at the end of 2007 and a new NDI cycle will begin at that time. There will be funds for approximately 12 national dialogues per year under the National Dialogue Initiative, and additional funds for approximately 9 sub-regional exchange and/or trainings workshops per year funded through the CSP.

Q3: Some countries noted that, in the past, many countries had problems in obtaining funds for attending important meetings and events. Only some countries were granted funds to the exclusion of others, with those excluded losing out on getting important information on how to proceed. Can there be additional funds to allow all countries to participate in one to two meetings annually, especially the General Assembly?

A3: Component 1 under the CSP provides funds for travels to two constituency meetings per year for each constituency. There is also a third smaller fund in addition to the NDI and CSP called the 'Council Members Support Program' which funds the costs of Council Members to host constituency meetings. The Council Member Support is managed by GEF Sec.

Q4: There were a number of questions about the MoU to be signed between OFPs and UNEP for Component 1 direct financial support. The first requested clarity on how to locate the National Executing Agency (NEA) for the MoU.

A4: The NEA is responsible for executing and signing the MoU, and is usually the same body as that which houses the OFP.

Q5: MoUs will be made between UNEP and individual countries, but its Work Plan needs to be approved by GEF Sec. Does this not mean an increase in unnecessary bureaucracy? Why can a country not just agree directly with UNEP alone?

A5: In the past, OFPs dealt only with IAs and GEF Sec was distant. The new strategy is to bring FPs closer to GEF Sec through activities such as information sharing and better communicating GEF policies. The new process for agreeing on the Work Plan is thus more in line with increasing cooperation between FPs and GEF Sec. As such, it brings added value, not more bureaucracy.

Q6: Many participants requested clarity on the \$8,000 allocations under Component 1. Is this separate from that for CSP funding for attending meetings? Is the amount fixed? Is the amount the same across the board for all countries regardless of size?

A6: The \$8,000 funds are separate from funding travel to constituency meeting costs. The amount is fixed and is the same across the board for all countries.

Q7: Some participants complained about the extra burden the CSP would bring to the already heavy workloads of OFPs who have many other responsibilities in their normal jobs besides being an OFP. For example, creating a database under the CSP takes lots of time. One suggested solution was for GEF to provide additional funds to mid-level staff assisting OFPs with CSP implementation.

Related to this point, participants asked how OFPs can be completely available to sign and implement MoUs and implement the CSP given their heavy existing workloads? Many suggested OFPs should have clear ToRs to ensure they will fulfill their roles and receive suitable capacity building, and that ToRs for political FPs and OFPs should be clearly separate.

A7: The scale of CSP funds available makes it difficult to allow for additional funds such as for training OFP support and mid-level staff. It was stressed that governments appoint FPs and they should consider existing OFP workloads -- if found too high, then perhaps they should appoint someone else. At the same time, some OFPs invited to this consultation, who were too busy to participate, reacted appropriately by sending support staff (ones already doing the day-to-day OFP-related work) instead.

Q8: It appears that CSP assistance is going only to OFPs. It was noted in an earlier presentation that OFPs are just one part of a larger group including political and convention FPs. So are those other than OFPs not being excluded from CSP assistance?

This question was especially relevant for NGOs who were seen as often crucial to GEF project implementation. It was not clear whether NGOs could also access CSP funds. For example, can there be a Component 1 MoU between UNEP and an NGO? If not, it was stressed that NGOs should get support.

A8: There are several other GEF projects besides CSP that enable capacity building support for other stakeholders besides FPs, namely 'Enabling Activities'. These are 'ongoing processes'. Within the CSP itself, the web-based KM framework is meant to support a much larger group than just OFPs, especially online information, guidance and training modules that will be produced. A key goal of this consultation was for participants to provide feedback on how to maximize the benefits of the new KM framework which would begin in 2007. Another process that can be tapped is local IA and EA ongoing support such as trainings based on requests.

Regarding NGOs, GEF wants to see cooperation between civil society and FPs increase and GEF Sec is now working closer with the GEF NGO network. Based on a recent review, recommendations were developed including the need for more support to NGOs – this proposal was made to GEF Council to add support elements for NGOs into the CSP. GEF Council will review this proposal in their June meeting.

CSP Working Group Sessions

Introduction and Guidance

Before breaking out into Working Groups, Ms. Funke Oyewole from GEF Sec noted that the CSP was developed in collaboration with IAs and with feedback from FPs. The goal of the Working Groups was for participants to further develop country needs for capacity building, the new KM framework and training sessions, and possibly add additional support tools, especially those needed to best implement the RAF. This feedback would be the basis for the detailed Work Plans under Components 2 and 3 of the CSP to be developed. The results of the needs assessment from all of the Sub-regional Consultations would be presented during the GEF Assembly in August 2006.

Ms. Funke Oyewole emphasized that the GEF is there to help FPs receive the support they need for GEF-4 and that this was an ongoing process. NGOs were informed that they could meet separately as one group or could join country groupings.

Working Groups were to refer to two documents to assist them in their sessions:

- CSP Exercise for Focal Points
- Toolkit

The 'CSP Exercise' suggested that Groups respond to the four following issues, although they did not have to follow this suggestion:

- A. Coordinating and facilitating GEF activities and resources; initiating and establishing informal/formal relations with key GEF stakeholders at the country-level
- B. Building institutional memory within national executing agency/government ministries
- C. Mainstreaming global environmental concerns into national sustainable development strategies
- D. Collating knowledge and training needs of GEF project proponents and other key stakeholders

Working Group Feedback

Working Group A: Afghanistan, Bhutan, India, Iran, Maldives, Nepal, Pakistan, Sri Lanka

This Group did not follow the CSP Exercise suggested groupings, perceiving that the time to understand the document would absorb most of the time for the session. Instead, they listed their concerns under 'Constraints', 'Recommendations' and 'KM Framework'.

Constraints

There was general frustration about the low capacity of OPFs to fulfill their roles and drive the RAF process given existing problems with GEF structures and processes. For

one, there was a serious lack of information available to OFPs related to: how GEF and its support programs function; what IAs are supposed to do; the delineation of roles between operational, political and convention focal points (here ToRs are needed!); and results from GEF Council meetings. The unpredictable status of projects in the pipeline also made planning and access to co-financing difficult.

Given the low access to information, it was hard for OFPs to share information with other stakeholders such as NGOs. As a result, without effective stakeholder input and access to funds, project effectiveness is not as high which can later reflect on a country's performance when evaluated.

A major problem was that IAs were not performing as they should and that their attitudes should improve. Coordination and communication between GEF Council and OFPs was also seen as poor. Finally, funds should be tailored to the size of the country (e.g. \$8,000 capacity support for all countries regardless of size did not make sense).

Recommendations

The low capacity and time availability of Focal Points makes it difficult for their going beyond dealing with project approvals to processing, prioritizing and tracking projects. To assist, a dedicated FP cell is suggested. Having national operational, political and convention FPs in one location, decided at the national level, would further improve coordination. IAs should be more proactive in collaborating with OFPs.

Given that the new GEF policy will increase the involvement of OFPs in monitoring and evaluation (M&E) processes, OFPs need capacity building support in this area. Dedicated (possibly additional) funds should be set aside in each project, and/or resources from several projects could be pooled. Feeding M&E into the GEF project database would help OFPs tracking projects. Given low current support in this area, an OFP might unknowingly endorse a project similar to an earlier one that was not effective.

Other recommendations are: strengthen training, awareness and capacity building workshops and dissemination at various levels; more experience sharing with other FPs; office equipment support; develop operational procedures and projects in consultation with NGOs; and support the outcomes of NCSAs through GEF funding as enabling capacity building projects.

Knowledge Management (KM) Framework: Key Points

- Enhance the management and delivery of KM products to end-users, and provide a simple one-page document on resources available for FPs from the GEF. OFPs cannot now find all relevant information in one place so a new 'one-stop-shop' is needed. Also, strategically target specific KM products to specific users.
- Develop databases to improve institutional memory for: project status (by IAs for FPs); RAF allocations and their utilization; successes and failures to enable informed decision-making for future projects.

- Create an ‘e-network’ to share constituency work programs, meeting proceedings, best practices and lessons learned.
- In regional and sub-regional meetings, FPs could visit local projects to get ideas and lessons learned.
- Translate documents and information into local languages to enable effective community participation and involvement (\$8,000 per country will not go a long way here).
- Provide summaries of discussions and recommendations from GEF-related meetings, workshops and Council meetings.
- Include publications such as brochures, posters and booklets. Some hard copies are needed to compliment soft KM products.
- Provide links to thematic experts for online consultations.

Working Group B: Algeria, Lebanon, Morocco, Tunisia

The Group followed the ‘CSP Exercise Template’ noted above:

A: National dialogues (e.g. Algeria, Morocco) are important for engaging key stakeholders and enhancing synergies between conventions. There is currently, however, poor coordination at the national level (e.g. between FPs) and additional financial and technical resources are needed. Additional capacity building support is required by OFPs to fulfill their new roles including: more help from GEF, IAs and EAs (beyond the \$8,000 allocations); the financing of assistants by GEF (FPs are very busy and need help); and more authority and legitimacy.

GEF national committees, often now inter-sectoral and lacking in FP coordination, should include all FPs (i.e. convention, operational and political). Regional project consultations need improvement and the involvement of all affected countries – sometimes, the regional projects have already been decided on before reaching the OFP. FPs are not in a position to negotiate on behalf of the government with multilateral and bi-lateral donors and need to be better empowered for arbitration. FPs should have clear ToRs that are recognized and approved by government counterparts.

B: To ensure the maintenance of institutional memory, there should be consistent frameworks and systematically recorded documents. Records should exist for national strategies, Environmental Action Plans, and the evaluation of projects (these to be made public). Databases should be online and countries should be able to update the GEF database directly with information approved by GEF Sec.

Proposed national activities for building institutional memory include: (Year 1) an assessment of existing mechanisms, gaps and prioritizing activities that inform targeted capacity building; (Year 2) setting up a coordination mechanism with an M&E component, and creating incentives for stakeholder participation; (Year 3) continuous inputs and feedback, and adaptive management of the system; (Year 4) implementation and evaluation.

C: The mainstreaming of global environmental concerns into national SD strategies is reflected in national strategies and action plans such as UNCCD and NAP, and in different conventions as ratified by the different countries. Mainstreaming should follow GEF guidelines and be based on consultations with relevant ministries and stakeholders to ensure higher stakeholder involvement, capacity building and co-financing rates. Projects should be assessed against both government and GEF requirements.

Working Group C: Egypt, Jordan, Palestinian Authority, Syria, Yemen

The Group partially followed the 'CSP Exercise Template' noted above.

To ensure optimum stakeholder participation and peer review, an institutional framework at the national level (e.g. national steering committee) is needed that is linked to national development planning policies. These can review proposals and set national priorities.

To create linkages between GEF projects and other sustainable development projects, consistency must be ensured between national GEF and SD programmes, and joint meetings and activities (e.g. M&E) should be held. GEF National Committees should be decreed by Heads of State as sub-committees to National SD Committees.

The Group's expressed needs were: more knowledge about mainstreaming and best practices; self-assessment scorecards for measuring the global environmental results of national projects as they relate to national developmental priorities, to foster win-win situations; technical tools and methodologies for mainstreaming; more financial resources for implementing integrated approaches (i.e. synergies).

Proposed national activities were: (Year 1) assess linkages among ongoing GEF projects, build on NCSA results and sectoral plans, and develop databases and websites; (Year 2) identify appropriate tools for mainstreaming, and use tools to screen GEF projects, sectoral policies and plans against global environmental goals and MEAs; (Year 3) best practices and review.

Points relating to the role of OFPs under the RAF:

- ◆ There are uncertainties within the project cycle (e.g. PDF-B, pipeline entry, work programme inclusion, GEF council approval)
- ◆ Instituting the RAF implementation process, giving legal authority to SC(??) and FP to approve GEF projects
- ◆ FP turnover challenge

Concrete examples of other KM or regional exchange training needs:

- ◆ Sub-regional network for exchange and dissemination of GEF information (include NGOs, private sector and research institutions)
- ◆ Annual regional training workshops
- ◆ Increase level of contacts among constituency members
- ◆ Avoid to be over-ruled

- ◆ Mentoring/training of second-level managers to sustain national GEF activities/processes in the country, in case there's turnover

NGO Group

The Group was thankful for having been invited to contribute to the consultation. The following are their related 'impressions':

- Civil society groups should be involved as a key element in National GEF Programme success. They should be adequately informed of and consulted in National GEF activities from planning to implementation to evaluation.
- Palestine should be included in GEF activities and programmes at the national, regional and international level.
- A fund allocated to a country means to its people and government together. Therefore, there must be very precise TORs for operational and political FPs, and for a national civil society FP.
- TORs should be defined for civil society in GEF National Steering Committees. As RAF implementation is not yet decided, NGOs request having formal status as civil society representatives in the formulation, implementation and evaluation process of GEF programmes at the country level.
- The role of civil society in the GEF framework needs to be more transparent.
- NGOs do not wish to be invited as mere passive partners. Decision-makers should not state that civil society was involved in a participatory process just because they were in attendance.
- RAF guidelines should be re-assessed to guarantee civil society involvement in the successful implementation and sustainability of projects.

CSP Summary Comments

Comments

Participants expressed their willingness to take on their new expanded roles under the RAF. However, given their already busy schedules, they would need more help from GEF and its agencies – not just funds, but more of an interactive presence. There were complaints that communication between FPs and Council Members is very poor, with FPs mainly only hearing about pre-made decisions. There were also incidents when IAs came at the last minute to impose their projects and demand endorsements within 1-2 days. Finally, it was noted that some governments do not see the environment as a priority, so if GEF projects are to be successful, other stakeholders besides governments will need to be supported by GEF.

Response

This is an ongoing process of communications between GEF, its agencies, FPs and other stakeholders. Your views will be incorporated and presented to Council. CSP trainings and the new KM framework will begin at the start of 2007. FP ToRs can be found on the

GEF website. CSP direct funds can possibly be used up before the four-year duration of the next CSP cycle.

An example was presented where, at a biodiversity convention meeting in Brazil, six countries expressed barriers to making links with other conventions. Tanzania, however, said it had no problem. The country had found that two-thirds of its national income depended on natural resources, and in response moved the environment ministry into the offices of the Prime Minister, placing environment on centre stage with poverty alleviation.

Presentation: “Evaluation and Results in the GEF”

Aaron Zazueta, GEF Evaluation Office

Mr. Zazueta elaborated on the mission and work program of the GEF Evaluation Office and the following points related to Monitoring and Evaluation (M&E): GEF policy, GEF M&E pyramid with key roles and responsibilities, involvement of FPs, minimum project requirements including design and evaluation, the GEF portfolio, the RAF and the Annual Performance Report (APR).

Key Points

- The newly created Evaluation Office is independent from GEF Sec and IAs and reports to GEF Council.
- GEF looks like a model of transparency while at other times appearing opaque. RAF was meant to help improve this.
- GEF policy is that the purpose of M&E is to promote accountability and learning, to improve project and programme effectiveness and results.
- M&E should be done by all levels of the GEF system.
- FPs have become increasingly important in GEF evaluations, often providing assistance and information to evaluators, including for Country Reviews (where GEF activities are evaluated at the country level).
- All projects should include a fully budgeted M&E plan (including indicators) and will be evaluated at end of implementation.
- There are many M&E tools and approaches.
- A future M&E system will be presented to Council by December 06.
- The ‘Management Assessment Record’, conducted by the Evaluation Office, tracks how well Council recommendations are being implemented (e.g. Has GEF Sec taken adequate steps to improve transparency as requested?).
- The ‘Agency Performance Assessment’ is a new instrument assessing agencies.
- The RAF will be reviewed after two and four years, including RAF impacts on GEF operations. If the RAF is found not working, this will be reported to Council.
- From FY 2004 to FY 2005, the Office’s Annual Performance Review (APR) found significant improvement in the quality of project Terminal Evaluations, in part because IAs responded to earlier recommendations. It is expected that GEF will have full quality M&E systems in place at all levels within a few years.

- Lack of transparency and of clarity about project success are the two biggest current critical issues of concern for the Evaluation Office and GEF donors. While the Office found that GEF is getting good project sustainability results, it cannot specify what exactly GEF is achieving for the environment.
- The Office is now developing guidelines and indicators to assess project results, especially for environmental success.

Questions and Answers: M&E

Key Points

- More M&E support needed for FPs and agencies
- Indicators
- Transfer of lessons learned from GEF-3 to GEF-4

Q1: Many participants voiced the point that FPs will have more responsibility for M&E under the RAF (e.g. more tracking and monitoring, M&E plans in all projects). To fulfill this added role, they stressed that FPs will need additional support, especially from IAs.

A1: It was agreed that the implications of the RAF on FP M&E needs further consideration. The Evaluation Office needs to improve its interaction with FPs and encourages suggestions from them on how to improve M&E. However, country projects should not promise outputs that they cannot deliver.

Regarding agencies, it was noted that all agencies have their own M&E policies which are both similar to each other and to that which projects should use (i.e. there are not two sets of indicators). Some agencies have effective M&E systems in place. The World Bank, for example, initiated a portfolio monitoring system that includes a table with all projects in the pipeline and project implementation status – this is available for FP use and Kenya has already started. At the same time, the Evaluation Office recognizes the need for more support for agencies (and countries), and has been working with them to make improvements – for example, the Office recently gave political support for the creation of an independent UNEP Evaluation Office.

Q2: FPs need a set of project and result indicators that they can all use consistently across projects and from year to year, so that they will know what they will be tested on by the Evaluation Office. Can a list of indicators be sent to all countries?

A2: The Evaluation Office is currently developing indicator systems for different FAs. Some are more ahead than others (e.g. biodiversity, IW). Indicators will be especially important to show the global environmental benefits of projects. Some IAs can already assist countries with indicators.

Q3: How will the lessons learned in GEF-3 with respect to M&E be transferred to GEF-4? Of key concern are the delays in the project approval process.

A4: The Evaluation Office is looking at this now, for example through the new 'Management Action Record'.

Consultation Wrap-Up

Mr. Alaa Sarhan, Ms. Funke Oyewole and Mr. Gold noted that GEF is conducting an ongoing dialogue with countries and indicated that the minutes from the meeting would be distributed to all participants soon. Mr. Sarhan recounted the main highlights from this sub-regional consultation, i.e., overview of the GEF framework, new GEF directions, the enhanced role of OFPs, the RAF, capacity building support and evaluation policies. He indicated that working Group feedback was very useful in identifying needs for better developing and improving support systems. Mr. Sarhan stressed that the goal of this meeting was to ensure that projects are country-driven, and that project managers meet each other, exchange experiences and discuss issues with GEF agencies. Thanks were given to everyone who had attended and to the Egyptian hosts.
