**Request for CEO endorsement/Approval**

**Project Type:**

**the GEF Trust Fund**

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**Submission Date: 06/30/2011**

|  |  |
| --- | --- |
| **Expected Calendar** (mm/dd/yy) | |
| **Milestones** | **Dates** |
| Work Program (for FSPs only) | 06/24/2009 |
| Agency Approval date | 09/15/2011 |
| Implementation Start | 10/01/2011 |
| Mid-term Evaluation (if planned) | 12/20/2012 |
| Project Closing Date | 06/30/2015 |

**part i: project Information**

**GEFSEC Project ID:** 4001

**gef agency Project ID:** 118145

**Country(ies):** Algeria, Egypt, Lebanon, Morocco, Tunisia

**Project Title:** Governance and Knowledge Generation **Agency(ies):** , ,

**Other Executing partner(s):**

**GEF Focal Area(s):**

**GEF-4 Strategic program(s)**: IW-SP1, IW-SP2, IW-SP3

**Name of parent program/umbrella project:** **MEDITERRANEAN SUSTAINABLE DEVELOPMENT PROGRAM (SUSTAINABLE MED)**

**(\*) –** The Governance and Knowledge project is intended to engage all Mediterranean Countries in MNA and ECA. The ECA countries will be involved mostly in shared events related to learning and best practices. The main focus will, however, remain in the MENA countries. The project will start with 5 participating countries. During implementation, other countries of the Region may join.

1. **Project framework**  (Expand table as necessary)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Objective**: **The Project’s development objectives are to secure and enhance the delivery and impacts of the Sustainable MED Program, to put in place the sustainability elements of improved management of freshwater, costal and marine resources of Mediterranean countries, and to strengthen the integration of environmental issues into sectoral and development policies.** | | | | | | | | |
| Project Components | Indicate whether Investment, TA, or STA2 | **Expected Outcomes** | Expected Outputs \* | GEF Financing1 | | **Co-Financing1** | | **Total ($)**  c=a+ b |
| ($) a | % | ($) b | % |
| 1. GOVERNANCE | TA | 1) Strengthened environmental management systems  2) Environment better mainstreamed in key sectors  3) Private sector more aware and collaborative on environment  4) Strengthened local env. consituencies  5) Regional integration | • # capacity building events  • # of joint (regional) events  • # of consultations  • # of studies  • # of private sector meetings  • # and size of investment opportunities identified  • # of env. observatories and decentralized initiatives  • # of Sustainable Med Steering Commit. meetings | 1,400,000 | 40 | 2,100,000 | 60 | 3,500,000 |
| 1. KNOWLEDGE GENERATION | TA | 1) Knowledge generation and sharing - strengthened EMS, mainstreaming efforts, knowledge on pollution, social incidence, water and coastal resources managemt,  2) Identification of strategic investment opportunities | •# of studies carried out  •# of workshops carried out  •# of consultations  •# of technical workshops  •# of publications  •# of dissemination events  •# of training events  •# of working tours | 1,400,000 | 40 | 2,100,000 | 60 | 3,500,000 |
| 8. Project management | | | | 200,000 | 50 | 200,000 | 50 | 400,000 |
| **Total Project Costs** | | | | A3,000,000 | 40 | B4,400,000 | 60 | 7,400,000 |

1. List the $ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.
2. TA = Technical Assistance; STA = Scientific & Technical Analysis.

\*See Details in Annex A.

1. **Sources of confirmed** [**Co-financing**](http://gefweb.org/Documents/Council_Documents/GEF_C21/C.20.6.Rev.1.pdf) **for the project** (expand the table line items as necessary)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Name of Co-financier (source)*** | ***Classification*** | ***Type*** | ***Project*** | ***%***\* |
| The World Bank | Impl. Agency | In-Kind | 2,392,000 | 54 |
| AFD | Multilat. Agency | Grant | 203,000 | 5 |
| Ministere de L'Environment France | Gov. Agency | Grant | 845,000 | 19 |
| CMI + EIB + MDTF | Multilat. Agency | Grant | 660,000 | 15 |
| Plan Bleu | Multilat. Agency | Grant | 300,000 | 7 |
| **Total Co-financing** | | | B 4,400,000 | 100% |

\* Percentage of each co-financier’s contribution at CEO endorsement to total co-financing.

Kindly note: The project team continues to pro-actively identify and mobilize further co-financing in the amount of US$ 2.2 million, targeting, among others, the Horizon 2020/EIB, UFM, AFD, the Swiss Cooperation, the Islamic Development Bank, DGIS (The Netherlands), and the European Union.

**C.**  F**inancing Plan Summary For The Project ($)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | ***Project Preparation a*** | ***Project***  ***B*** | ***Total***  ***c = a + b*** | ***Agency Fee*** | ***For comparison:***  ***GEF and Co-financing at PIF*** |
| GEF financing |  | A3,000,000 | 3,000,000 | 300,000 | 3,000,000 |
| Co-financing | 300,000 | B4,100,000 | 4,400,000 |  | 6,600,000 |
| **Total** | 300,000 | 7,100,000 | 7,400,000 |  | 9,600,000 |

**D. GEF Resources Requested by Agency(ies), Focal Area(s) and Country(ies)1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***GEF Agency*** | ***Focal Area*** | ***Country Name/***  ***Global*** | ***(in $)*** | | |
|  |  |  | ***Project (a)*** | ***Agency Fee ( b)*2** | ***Total c=a+b*** |
|  | International  Waters | Global :Algeria, Egypt, Lebanon, Morocco, Tunisia | 3,000,000 | 300,000 | 3,300,000 |
| **Total GEF Resources** | | | 3,000,000 | 300,000 | 3,300,000 |

1 No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

**2** Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.

**E. Consultants working for technical assistance components**:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Component* | *Estimated person weeks* | *GEF amount($)* | *Co-financing ($)* | *Project total ($)* |
| Local consultants\* | 225 | 300,000 | 150,000 | 450,000 |
| International consultants\* | 150 | 300,000 | 150,000 | 450,000 |
| Total | 375 | 600,000 | 300,000 | 900,000 |

\* Details to be provided in Annex C.

**f. Project management Budget/cost**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Cost Items* | *Total Estimated person weeks/months* | *GEF amount* ***($)*** | *Co-financing ($)* | *Project total ($)* |
| Local consultants\* | 60 | 120,000 | 80,000 | 200,000 |
| International consultants\* | 20 | 60,000 | 60,000 | 120,000 |
| Office facilities, equipment, vehicles and communications\* |  |  | 60,000 | 60,000 |
| Travel\* |  | 20,000 |  | 20,000 |
| Others\*\* |  |  |  |  |
| **Total** |  | 200,000 | 200,000 | 400,000 |

\* Details to be provided in Annex C. \*\* For others, it has to clearly specify what type of expenses here in a footnote.

**G.** **Does the project include a “non-grant” instrument?** yes  no   
 (If non-grant instruments are used, provide in Annex E an indicative calendar of expected   
 reflows to your agency and to the GEF Trust Fund).

**H. describe the budgeted m&E PLAN:**

A project management team (PMT) will be responsible for M&E. The M&E plan will be financed as part of the PMT operating costs. An M&E Specialist will be recruted as consultant for the project. He/she will be responsible for reporting on progress made via annual progress reports submitted to the World Bank. The detailed arrangements for M&E, including indicators, are presented in the Annex A of this document as well as in Annex 1 of the Project Appraisal Document (PAD).

The team will also use the IW:LEARN Tracking tool to report results on an annual basis and will monitor: (i) the establishment and effective implementation of local and regional inter-ministerial committees on improved management of shared and transboundary waters; (ii) the number and impact of national and international IWRM reform policies implemented; (iii) project progress in catalyzing step changes in the way in which water resources are managed at a local and regional scale – through the enhanced and standardized use of real time data on water availability, variability, and trends; (iv) the improved communication and dissemination of knowledge across stakeholders and partners in water and agricultural management both on the regional and local scale – by measuring the quantity and quality of regional and local stakeholder workshops held in line with IW:Learn standards; and (v) it will measure the extent to which inter-regional cooperation on shared and transboundary water resources improves as a result of a standardized set of common parameters, definition, and methodologies for water measurement and tracking.

part ii: project justification:

1. **State the issue, how the project seeks to address it, and the expected global environmental benefits to be delivered:**

The proposed Governance and Knowledge Project is a backbone to the broader Sustainable Med Program. In this context it is more the facilitating mechanism that would support that the significant environmental benefits in the Mediterranean basin from all the investment projects of the Program materialize. Better management of scarce water resources, with major emphasis on pollution and recycling, transboundary management and capacity building for managing the shared water resources, a transboundary large marine ecosystem management approach with focus on improved coatal zone management, wastewater treatment and a series of capacity development activities would contribute to a reduction in pollution loads into the Mediterranean Sea. In addition, the Project will also contribute towards building a regional platform for addressing climate change problems, with clear global environmental benefits (even if not under the direct cadre of international waters).

Water is a critical ressource in the Mediterranean, and the threats to the environmentally sensitive ecosystems are directly undermining the resource base, which is underpinning growing economies and the livelihoods of the communities of the riparian countries, especially the Southern and Eastern ones. Most of those countries are facing major environmental challenges that have a significant negative impact on their socially and economically sustainable development. The water resources per capita are predicted to decline, given recurring droughts, network losses, irregular service coverage, and increasing demand. The threats from climate change and the increased degradation of water quality, loss of arable land, pollution-related health problems, overexploitation and degradation of marine resources, deterioration of coastal zones, rapid urbanization, represent, among others, the key sectoral issues and challenges that merit special attention and interest by all countries in the Region, all in a context of constrained environmental institutions, regulatory frameworks, and enforcement mechanisms. Economic and population growth have accentuated the pressures on natural resources, especially water and land, which are already under stress. World Bank studies on the costs of environmental degradation estimate them in Southern and Eastern Mediterranean countries between 2 and 7 percent of their annual GDPs, with spill-over effects on public finances, household budgets, the competitiveness of the economy, and inter-generational equity.

The national Governments are commited to improve their performance in terms of environmental mangement and sustainable development. However, the environment sector of these countries still suffers from incomplete institutional and legal frameworks and also from weak coordination with other ministries and government agencies. Environmental guidelines and standards need to be strenghtened in order to adequately handle the complex and large infrastructure investments. In order to address these various environmental degradation problems, it is necessary for the Bank and other partners to maintain the support to the environmental management systems of these countries – in terms of knowledge, technical and institutional capacity, effective management instruments, etc. – but now also through support to sector ministries, so that they too mainstream environmental issues under their own constituencies. Furthermore, the cultural similarities and shared interests by the Region’s countries suggest that there are many opportunities for joint work to tackle transboundary pollution problems and to share experience of successful management practice. From the Bank’s and donors’ perspectives this makes sense and involves significant economies of scale as well. The sustainability of the proposed Project will ultimately depend on whether key environmental sustainability issues are integrated into the national and regional development agenda with new sustainable environmental investments identified. The ultimate global common good being benefitted is the Mediterranean ecosystem at large.

1. Describe the consistency of the project with national and/or regional priorities/ plans:

The proposed Project is consistent with the national plans and development strategies of the respective countries. During the past decade, several of those Mediterranean countries have achieved substantial progress in developing their framework for environmental management and protection as well as building their environmental institutions. Environmental Strategies and National Environment Action Plans (NEAPs) have been adopted in association with local environmental institutions and other sector ministry agencies. In the same vein, governments’ actions aimed at improving environmental quality by mainstreaming environmental issues into their economic development agenda have been translated into the preparation of national sustainable development action plans, and implementation of national environmental projects.With the establishment of Ministries of Environment, the preparation of National Sustainable Action Plans/strategies, the implementation of national environmental projects, as well as the ratification of the Barcelona Convention\* and its protocols, especially the new ICZM protocol (still in process of ratification), environment has become a higher national priority, affecting every production sector as well as related livelihoods.

Several strategies have been developed by the countries in order to address these sectoral issues. At the institutional level, Egypt, for instance, established in 2006 a National Committee on Sustainable Development, consisting of representatives from various ministries and relevant agencies, with the mandate to develop policies, plans, and laws, in addition to the country’s national sustainable development strategy. Lebanon has also made substantial efforts to strengthen its environmental institutions by enacting an environmental protection law and environmental impact assessment (EIA) regulations. In the same vein, Morocco has launched The Charter for Environment and Sustainable Development, which will lead among other national initiatives to the creation of 16 regional observatories that would provide the government with yearly reports and recommendations on environment and developmental issues. Many of these initiatives have been, or are successfully under implementation with support from the governments as well as donors including the World Bank. Some of the countries have completed their Country Environment Assessment (CEA) with Bank support with the objective to ensure the integration of environmental aspects into the sector development strategies.

In parallel, national efforts have been supported by regional initiatives, in particular those affecting the Mediterranean Sea, and benefited from the economies of scale of regional cooperation. As these countries respond to water scarcity, degrading ecosytems in the face of climate risk and external shocks such as the food crises, they are looking towards regional efforts such as the Barcelona Convention and its protocols, including the new protocol on ICZM with country support from the UNEP-MAP Program. Other regional initiatives that seek to enhance regional cooperation at the operational level include the EC-funded LIFE third countries and SMAP programs, the Mediterranean Technical Assistance Program (METAP), and lately the EC initiative Horizon 2020. The Sustainable MED program and the proposed Project will complement these programs and respond to the priorities and objectives of the Union for the Mediterranean (UFM) - Paris Summit declaration - within the Barcelona Process, the EU Marine Strategy Framework Directive, and the GEF/WB/UNEP Mediterranean Sea Large Marine Ecosystem Strategic Partnership. The latter supported the development of country commitments in two regional Strategic Action Programmes (SAPs) and subsequent National Action Plans (NAPs) which identify and prioritize national actions on water, coasts, the sea, environment, and communities. The Project is also aligned closely with the national priorities as identified in the development plans of the countries, in the strategic action plans developed by some of them for specific ecosystems, or in the World Bank’s dialogue and investment programs. The program, further, is consistent with the various country NAP equivalents for the key international conventions (CBD, UNFCCC, and UNFCCD) and contributes to achieving their international commitments.

* **Describe the consistency of the project with** [**gef strategies**](http://gefweb.org/uploadedFiles/Projects/Templates_and_Guidelines/C31-10%20Revised%20Focal%20Area%20Strategies-07-23-07_Final.pdf) **and strategic programs:** The proposed Project will contribute to improving environmental management systems as part of the broad sustainable development agenda of Southern and Eastern Mediterranean countries with the aim to reduce pollution affecting the Mediterranean Sea, preserve associated biodiversity and minimize vulnerability of natural environmental assets to climate change including droughts and land degradation.

The Project is in line with the Strategic Objectives for the GEF International Waters Focal Area to foster a “more comprehensive, ecosystem-based approach to management of transboudary waters”; and “to play a catalytic role by assisting countries to utilize the full range of technical assistance, economic, financial, regulatory, and institutional reforms that are needed” in addressing priority transboundary water pollution.

In addition, the Project fits within the first three International Waters Focal Areas Strategic Programs of GEF-4 (i.e. Strategic Program # 1: Restoring and sustaining coastal and marine fish stocks and associated biological diversity; Strategic Program #2: Reducing nutrient over-enrichment and oxygen depletion from land-based pollution of coastal waters in LMEs consistent with the GPA; Strategic Program #3: Balancing overuse and conflicting uses of water resources in surface and groundwater basins that are transboundary in nature). The project objectives are directly aligned with the Strategic Programs’ expected outcomes including: (i) political and legal commitments made to address preservation of biological biodiversity, reduction of coastal waters pollution, and conflicting uses over water resources; and (ii) institutions and reforms introduced to catalyze implementation of policies for sustainable fisheries; integrated coastal zones management and international water resources management. Specifically, the results framework of the project (Annex A) fits with selected key indicators of the Strategic Programs, i.e. adoption of ministerially-agreed action programs and local plans on key environmental issues (ICZM, IWRM, etc.); adoption of regional, national, and local policy, legal, and institutional reforms on critical environmental challenges; and incorporation of environment into broad development frameworks (CPS, PRSPs, etc.).

In addition, the Project is consistent with the strategic orientations of the 2010 World Bank Group Environment Strategy currently being updated. During consultations on the Concept Note of the Strategy, a wide range of stakeholders across developing and developed countries have reiterated the importance that strengthening environmental institutions and governance needed to be a critical component of the World Bank efforts going forward. One of the proposed recommendations is for the continued use of Country Environmental Assessments (CEAs) as a tool to integrate environmental considerations into country partnership strategies to guide institutional reform and capacity development efforts.

* **justify the type of financing support provided with the gef resources.** Incremental funding from the GEF will support the realization of a number of global environmental benefits associated with the proposed technical assistance activities as well as those defined in the PIFs of the individual investment projects submitted to the GEF together with the Sustainable MED PFD. The US$ 3 million GEF support for the Project is expected to initially leverage co-financing of $ 4.0 million for specific regional TA activities, plus co-financing for the strategic investments which are to be identified as part of the project objectives. This support is expected to catalyze considerable resources from donor countries as well as bi-lateral and regional developmental organizations who have expressed an interest in supporting the countries of the region through a well-developed and sustainable structure. It will also lay the groundwork allowing for scale-up of the knowledge and TA activities. Further, given the urgency of addressing the water crisis and the constraints faced by a number of the countries in the region due to the food crisis and economic downturn, it is expected that grant funding will likely have a great impact in bridging the knowledge gap and strengthening the existing specialized centers of the Southern and Eastern Mediterranean countries.
* **Outline the Coordination with other related initiatives:** In an effort to increase the enhancement of existing cooperation within the Mediterranean basin, the World Bank and the GEF, in cooperation with beneficiary countries and relevant partners, has launched the new Mediterranean Environmental Sustainable Development Program, “Sustainable MED”. The objective of the Program is to integrate environment within the economic development agenda of the Mediterranean countries and to promote environmentally sound development, which will thus facilitate mainstreaming the environment into sectoral strategies development, following a shared common vision. In its first phase, Sustainable MED will comprise ten complementary projects, of which the proposed Governance and Knowledge is one.

The proposed Governance and Knowledge Project is intended to serve as a backbone for the Sustainable MED Program. It complements these other projects in the sense that it ultimately focuses on the broader environmental management systems of countries, including all sectors that directly or indirectly affect the environment. It thus aims at enhancing the existing governance structures in the environmental field, introducing more effective market-based instruments, enforcement schemes of environmental laws, monitoring of trends and indicators, enhancing public participation, building partnerships with the private sector, clarifying institutional responsibilities in environmental management, helping to introduce greater transparency and accountability, in sum, a modernization of the governance mechanisms in environmental management. “Sustainable MED” will continue to be engaged in the partnership between organizations, led by the GEF, in the context of the Mediterranean Strategic Partnership, that brings together the World Bank, UNEP, MAP, The European Union, and a variety of agencies and donors active in the Mediterranean region, taking into consideration the broadening and deepening of the scope of “Sustainable MED”. The World Bank, as the Lead Implementing Agency of the Sustainable MED Program and of the proposed Governance and Knowledge Project, will continue its collaboration with UNEP/MAP as a partner and executing agency for the regional TA component of the Investment Fund of the Mediterranean Strategic Partnership. Shared learning that will be provided through the regional TA and associated GEF IW LEARN activities in Mediterranean Basin countries will also be critical to provide a programmatic link across projects and a link to the MENARID program.

The Project also will be closely aligned with several other GEF projects currently under preparation by the MNA region of the World Bank, including, but not limited to, the “Enhanced Water Resources Management Project” in Egypt, the “Integrated Coastal Zone Management for Lake Nador”, the “Regional TA and Capacity Building for the Promotion of Treated Wastewater Reuse in the Mediterranean – all of which are proposed for GEF financing. In addition, the Project is closely aligned with existing regional initiatives on the enhancement of water management across the MNA region, including activities under the Arab League Ministerial Council for Water (which will be represented on the Technical Advisory Committee of the Arab Water Council), the Arab Water Academy, and the Arab Water Council. The World Bank is furthermore already extensively involved in many of MENA’s water resources management-related research, projects, and reforms – many of which include international riparians. The proposed Project, through the Bank’s convening power and established relationships with MNA countries, will thus compound the positive development impacts of existing and ongoing initiatives in the water sector across the Mediterranean.

* **Discuss the value-added of GEF involvement in the project demonstrated through** [**incremental reasoning**](http://gefweb.org/uploadedFiles/Documents/Council_Documents__(PDF_DOC)/GEF_31/C.31.12%20Operational%20Guidelines%20for%20Incremental%20Costs.pdf): The major characteristics of the incremental reasoning of the proposed Project can be summarized as follows: (i) the Project provides strategic, targeted support to Southern partners to address the broadening gap between the increasing human needs and shrinking resource base; (ii) it will catalyze for the Southern partners as a group the historic evolution from a first generation approach of environmental management focused on the capacity building of environmental institutions, to a second generation approach ensuring that development in all sectors is environmentally and socially sustainable; (iii) it will promote an inclusive cooperation of various partners, particularly North-South, South-South, private sector, scientific communities, and civil society around the sustainable use of the Mediterranean; and (iv) it will provide, in collaboration with a series of strategic pilot projects included in the Sustainable MED framework, the ability to undertake catalytic technical assistance and investment programs which could then inform and lead to replication and scaling up throughout the Mediterranean. The regional approach of the proposed Governance and Knowledge components are intended to provide a higher level of commitment for delivering global environmental benefits and to shift the sustainable development agenda from its current narrow environmental focus at the country levels to a broader multi-sectoral and regional focus. The Project will also catalyze cross-sectoral benefits by strengthening the linkages across the GEF focal areas, and will develop the basis for the expansion of the Sustainable MED program to these other focal areas.
* **Indicate risks, including climate change risks, that might prevent the project objective(s) from being achieved and outline risk management measures:** Notwithstanding the political uncertainties related to the regional events and Arab spring, the overall project risks are rated Medium - Low Impact and appropriate mitigation measures are in place. A key set of actions consists of ensuring that non-government stakeholders are empowered. This is clearly in line with the current political shifts in the region and serves as a mitigating measure for risks in governance. Another important mitigation measure is that the project team will ensure that GEF resources would not be used directly in those countries where risks are high given current upheavals in the region until the situation becomes clearer though the participation in related knowledge sharing and training would include all relevant countries. Other potential risks and mitigation measures are summarized in the Operational Risk Assessment Framework presented in the Project PAD. On a more technical front, one of the project risks which mostly relates to the difficulty in shifting the sustainable development agenda from its current environmental focus at the country level to a broader multi-sectoral and economic focus (mainstreaming) will be mitigated by conducting relevant knowledge and developing innovative tools on the economic and social aspects of environmental challenges. In addition, the Project will also support pilot initiatives which demonstrate the economic benefits of sustainable environmental investments and win-win situations both for the environment and the economy (GDP change and job creation).
* **explain how cost-effectiveness is reflected in the project design**: Although it may be difficult to estimate in monetary terms the global and local benefits expected as a result of the Project interventions (mainly policy dialogue and knowledge generation and dissemination activities), the design of the Project has been based on the principle of cost-effectiveness:
* Addressing the cost of environmental degradation. Different World Bank studies have estimated the costs of environmental degradation in Southern and Eastern Mediterranean countries between 2 and 7 percent of their annual GDPs. These high costs spill into public finances, household budgets, the competitiveness of the economy, and inter-generational equity. By supporting the improvement of environmental management systems of these countries (through knowledge, technical and institutional capacity, effective management instruments) and by targeting sector ministries so that they address environmental issues under their own constituencies (through mainstreaming), the Project will address some of those various environmental degradation problems and thus achieve a reduction of the cost of environmental degradation, particularly the degradation of water resources. The focus on reviewing and improving sectoral policies and investments has a primary objective to shift the sustainable development agenda from its current narrow environmental focus at the country levels to a broader multi-sectoral and economic focus, thus facilitating mainstreaming. By providing non-environmental specialist decisionmakers with a wider access to relevant knowledge and tools on economic and social aspects of environmental challenges, the Project will enforce the integration of environment as criteria for policy decisions by central government and core ministries as well as donors in riparian Mediterranean countries, and this must be considered a cost-effective way of addressing environmental problems.
* Fostering synergies with other Sustainable MED projects. The proposed Project is intended to serve as a backbone for the Sustainable MED Program. To bring consistency and synergy between Sustainable MED’s various projects, the Project will provide them with technical and strategic support, and promote dialogue among countries, projects and institutions to identify commonalities and enhance synergy. Technical assistance under Sustainable MED will be provided both by the stand-alone Governance and Knowledge Project as well as through knowledge components within the Program’s individual technical assistance and investment projects. However, this Project will capitalize on other knowledge generation activities from those regional technical assistance and investment projects and provide information targeted to policy decisionmakers in order to develop new modalities for development assistance formulation and to bring various countries and sectors to agree on regional priorities and commonalities linked to the International Water Global agenda. The Project complements these other projects of Sustainable MED in the sense that it ultimately focuses on the broader environmental management systems of countries, including all sectors that directly or indirectly affect the environment. It thus aims at enhancing the existing governance structures in the environmental field, introducing more effective market-based instruments, enforcement schemes of environmental laws, monitoring of trends and indicators, enhancing public participation, building partnerships with the private sector, clarifying institutional responsibilities in environmental management, helping to introduce greater transparency and accountability, in sum, a modernization of the governance mechanisms in environmental management. Those synergies within Sustainable MED program are contributing to the cost-effectiveness of the Project.
* Identifying new bankable investment opportunities. Knowledge generation and dissemination activities (including technical assistance and capacity building) developed under this Project will support a change within the broader development assistance agenda of the region. The World Bank will use its convening power, working in partnership with governments, other donors and private sector organizations, (i) to promote the environment agenda in country dialogues, (ii) to support the elaboration of public policies in the different sectors of development in order to address not only the consequences of environmental degradation but also its causes, (iii) to identify local investment opportunities, and (iv) to assist countries in identifying sustainable development priorities of intervention.
* Achieving economies of scale from regional cooperation. The activities proposed for the project complement those being carried by the countries and by other bilateral and regional organizations with similar objectives. The priority approach promoted within Sustainable MED is to collaborate and partner with all existing initiatives such as the UNEP Med Strategic Partnership, the EU Horizon 2020, the Union for Mediterranean, and the UNEP/MAP in its capacity as technical secretariat of the Barcelona Convention and the Mediterranean Commission on Sustainable Development (MCSD). A good dialogue and coordination is already being built with the respective agencies to avoid duplication and strengthen complementarities. Project activities will support the implementation of existing regional agendas and complement existing program by the World Bank niche of expertise. From the Bank and donors’ perspectives this makes sense and involves significant economies of scale as well.

**part iii: institutional coordination and support**

1. **Institutional arrangement**: The region hosts several institutions with a mandate to support environmental protection and to bring solutions to common trans-boundary pollution problems. However, regional institutions with a mandate to mainstream environment into key policy decisions, like the Mediterranean Commission on Sustainable Development, do not have yet the accumulated experience to inform broad development policies, and do not typically involve economic and sector ministries. This is partly due to the fact that only recently has more serious attention been given by governments in the region to environmental sustainability. Therefore, there is no established regional institution with proven capacity to gather regional and international stakeholders in the field and significantly influence the development agenda by mainstreaming environmental issues. An institution that has been created to fill in such gap – although beyond the stricter sphere of the environment – is the Marseille Center of Mediterranean Integration – CMI.

The CMI has been involved in the conceptualization and design of the Sustainable MED Program and has a mandate which entirely juxtaposes with the Sustainable MED as it pertains to environment program. The links with key European partners and the proximity of client countries make CMI an ideal choice to anchor the Sustainable MED Program and its backbone operation which is the proposed Governance and Knowledge project.

A Project Management Team (PMT) will manage day to day implementation of the project.The PMT will be housed at CMI under an implementation agreement with a third party. A specific legal agreement to make this arrangement effective is under discussion and a potential third party agency to execute the GEF grant in close coordination with CMI has been identified. The PMT will include a team leader plus three staff seconded from other partners or consultants (see Annex 3). At the Program level, the Sustainable MED Program Coordinator, also based in the CMI, reports directly to the MNSEN Sector Manager in the World Bank Headquarters and will have the overall coordination role of the Program. At the project level, the Program coordinator will be the Bank TTL of the Governance and Knowledge Project and will be responsible for supervision of the project implementation by the PMT.

The Project will have an Advisory Panel consisting of representatives from the environment sector from participating countries. During the initial phases of implementation of the Project, the representatives will be the GEF Focal points in each country given their technical background.

The Project will be implemented in very close collaboration with development partners and institutions(nationally and at donor headquarters levels), including the Union for the Mediterranean and the UNEP/MAP in its capacity as technical secretariat of the Barcelona Convention and the Mediterranean Commission on Sustainable Development (MCSD), and through them representatives of ministries of environment, environmental IGOs and NGOs, experts, and members of the scientific community.

**B. Project Implementation Arrangement**: An “internal” governance structure of the Project itself has been developed and will be further refined in the early stages of project implementation – including:

* A Sustainable MED Program Steering Committee chaired by the World Bank and composed of representatives from the World Bank, the MCSD, UNEP, EU H2020, UfM, EIB, government representatives of key economic sectors, and the private sector, to provide overall guidance to the Project Management Team. The Steering Committee will be meeting once every year;
* A Project Management Team (PMT) composed of a team leader, three staff including procurement, financial management and M&E specialists. Technical specialists will be hired as consultants. The PMT will be housed at the CMI in Marseille;
* An Advisory Panel for the Knowledge and Governance Project composed initially of GEF National Focal Points of beneficiary countries which will meet twice a year.

The PMT will interact on a regular basis with designated Representatives from Regional Networks and Centers of Excellence, National Focal Points in Key Ministries, Private Sector, and Civil Society Organizations from all beneficiary countries on general coordination issues and policy advice.

Given the policy advocacy and knowledge dimension objectives of the Project, a communication specialist will provide expertise to the team as needed. The Project will not seek to create new institutional structures but rather to strengthen relevant ones such as regional networks or centers of excellence.

**part iv: explain the alignment of project design with the original PIF**:

The project concept remains mostly in line with the original PIF, except for the Governance component, which originally intended to create a new governance structure, the "Higher Council for Environment and Sustainable Development" with clear mandate and responsibilities, and fully recognized and owned by the countries. After consultation with beneficiary countries, development partners, and institutions in the region, the objective of this component was redefined. It now consists of a Steering Committee for the broader Sustainable MED Program, with representatives from both environment and the economic sectors, in addition to an Advisory Panel to the Knowledge and Governance Project consisting exclusively of representatives of the environmental ministries of each country.

The governance component of the Project will thus not create new governance structures. It is more process-oriented and is fundamentally centered on consultation with MED countries. It is a facilitating mechanism to achieve a better understanding of problems and to promote coordination, integration, and synergy. It is the needed instrument to elevate the national interests to a more regional level. The component’s ultimate success lies within the anticipated transformational change in environmental policy-making across all sectors, at both national and regional levels. In this sense, the component starts being implemented at its concept and design stage through the identification of how these issues are directly perceived by the beneficiary governments, and it will be based on a constant dialogue and interaction with them. The existing projects under the Sustainable MED will serve as a platform for dialogue and consultation with the individual governments, which, in time, will be “scaled-up” to include Ministries beyond the direct domain of the environment and natural resources.

Despite its name, the governance component will not seek to create new institutional structures. Depending on its level of success or evolution – particularly in terms of creating investment platforms – new organizational arrangements might be considered appropriate. This, however, will eventually be a result of the process created by the Project and this specific component, rather than one of its specific objectives.

The governance component has five main activities: Strengthening the environmental management systems of countries (EMS); Mainstreaming; Engaging the private sector; Empowering local constituencies; and regional integration. The knowledge Generation and Technical Assistance component has two main activities: Knowledge generation and sharing, training and TA; and identification of investment opportunities

**part v: Agency(ies) certification**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement. | | | | | |
| Agency Coordinator, Agency name | Signature | Date  *(Month, day, year)* | Project Contact Person | Telephone | Email Address |
| Karin Shepardson  World Bank | KarinSignature | 06/30/2011 | Song Li  Acting GEF MNA Regional Coordinator | 202-473-4269 | Sli@worldbank.org |

**Annex A: Project Results Framework**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Development Objective (PDO):**  The proposed project’s development objective is to secure and enhance the delivery and impacts of the Sustainable MED Program, to put in place the sustainability elements of improved management of freshwater, costal and marine resources of Mediterranean countries, and to strengthen the integration of environmental issues into sectoral and development policies. | | | | | | | | | | | |
| **PDO Level Results Indicators\*** | Core | **Unit of Measure** | **Baseline** | **Cumulative Target Values\*\*** | | | | **Frequency** | **Data Source/**  **Methodology** | **Responsibility**  **for Data Collection** | **Description (indicator definition etc.)** |
| YR 1 | YR 2 | YR3 | YR 4 |
| **Strengthened Environ. Management Systems:** EMS more efficient, effective and socially focused\* |  | Capacity building events and products financed by the project to strengthen EMS | 0 | 1 | 3 | 5 | 7 | Quarterly | Quarterly Reports | World Bank | Proceedings of training events |
| **Mainstreaming:** Environment more central pillar of economic development |  | National commitments to policy, legal & institutional reforms to mainstream environment in sector policies. | 0 | 0 | 2 | 4 | 8 | Quarterly | Quarterly Reports | World Bank | Reforms submitted for endorsement/ adopted at local, national or regional level |
| **Private sector:**  More engagement in environmental control |  | Programs / platforms / mechanisms created to foster private sector engagement in environmt. | 0 | 0 | 1 | 2 | 3 | Quarterly | Quarterly Reports | World Bank | Minutes of meetings |
| **Strengthen constituencies** |  | # of environ. observatories and # of consultations | 0 | 3 | 6 | 9 | 15 | Quarterly | Quarterly Reports | World Bank | Minutes of meetings |
| **Regional integration:** synergy of environmental actions among Mediterranean countries |  | Joint events on environm. sustainability in the region planned and financed by the Project and partners. | 0 | 0 | 1 | 2 | 3 | Quarterly | Quarterly Reports | World Bank | Proceedings of multi-country events |
| **Knowledge generation and sharing, training/TA** |  | No. of studies, disseminat. & training events, publications, TA activities | 0 | 0 | 10 | 20 | 30 | Quarterly | Quarterly Reports | World Bank | Publications, proceedings |
| **Investment portfolio identified** |  | Strategic investment identified and costed (at national/regional level) | 0 | 0 | 0 | 3 | 5 | Quarterly | Quarterly Reports | World Bank | Funding proposals to donors |
| *\*Ideally environmental effectiveness should be measured by environmental quality improvement but this would be impossible to measure. We opted to measure the capacity building effort.* | | | | | | | | | | | |
| **INTERMEDIATE RESULTS** | | | | | | | | | | |  |
| **Intermediate Result (Component One): Governance – Policies, Institutions and Private Sector Engagement** | | | | | | | | | | |  |
| *Number of regional networks and centers of excellence with enhanced capabilities on envir. sustainability* |  | No. of regional networks and/or centre of excellence with trained staff on key environmental issues | 0 | 0 | 1 | 2 | 3 | Quarterly | Quarterly Reports | World Bank | Training Evaluations |
| *Analysis on mechanisms for private sector involvement completed and shared with stakeholders* |  | # of national level programs/platforms created fostering private sector involvement in environmental protection | 0 | 0 | 1 | 2 | 3 | Quarterly | Quarterly Reports | World Bank | Business Plans |
| *Establishment of the Sustainable MED Program Steering Committee* |  | # of meetings of Sustainable Med Program Steering Committee | 0 | 1 | 2 | 3 | 4 | Quarterly | Quarterly Reports | World Bank | Meeting reports |
| **Intermediate Result (Component Two): Knowledge Generation and Technical Assistance** | | | | | | | | | | |  |
| *Analysis of key cross-sector environmental sustainability issues completed* |  | No. of knowledge products, tools and reports completed, disseminated and adopted by countries | 0 | 0 | 3 | 6 | 8 | Quarterly | Quarterly Reports | World Bank | Technical specifications met |
| *Number of TA requests in support of investments identification* |  | # of TA submissions from Governments of Southern or Eastern MED countries | 0 | 0 | 1 | 2 | 3 | Quarterly | Quarterly Reports | World Bank | Technical specifications met |
| *Number of Policy dialogues on key environmental issues at national/regional levels* |  | No. of workshops held (F2F or on-line) | 0 | 1 | 2 | 3 | 5 | Quarterly | Quarterly Reports | World Bank | Proceedings; Background papers |
| *Regional knowledge portal on priority environ. issues in place (according to IW-Learn guidelines)* |  | No. of visits to the portal | 0 | 1000 | 3000 | 6000 | 10000 | Quarterly | Quarterly Reports | World Bank | # portal hits; IW Learn Guidelines applied |
| *Strengthen constituencies* |  | # of env. observatories/  # of consultations | 0 | 3 | 6 | 9 | 15 | Quarterly | Quarterly Reports | World Bank | Publications, proceedings |

**Annex B: Responses to Project Reviews** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

1. STAP welcomes this project as an important foundational component of the ‘Sustainable MED’ Program. The program and the key governance and km support activities come at an appropriate time in the development of regional and national management of water resources in the Mediterranean.

2. Regarding the STAP Advisory Response of Minor Revision, as STAP stated in its screen for PFD 3977 (Sustainable MED Program), we recommend adding a program-wide system, perhaps within the terms of reference of the “Know-MED Center”, for tracking and reporting the status of the Mediterranean Sea. The status reporting system will inform individual projects about opportunities for co-benefits with other focal areas and the minimization of trade-offs. STAP expects that the proposed UNEP executed regional project will provide this level of coherence.

**Response**: The program-wide system is under preparation together with different partners, including UNEP. The idea is well taken, but resources have to be commensurate with the project budget. A simpler tracking and reporting system might be doable.

3. With respect to the Know-MED component, STAP recommends that an early assessment be made of the most likely users of the knowledge systems, what information they could be seeking and how their needs can be best met through the Know-MED Center. Well-targeted knowledge products for identified user groups, e.g. scientists, policy makers, sectoral industry users and the general public, are a critical part of the knowledge system, along with the identification of the types of expert knowledge that will be compiled. The present PIF tends to be focused more on the provision rather than delivery aspects of the knowledge systems.

**Response:** The project preparation team organized several discussions and consultations with partners in the region, including the most recent one during the week of April 18, 2011. Related issues had been discussed and the demand/user-driven approach in terms of knowledge will also be used to meet priority needs from the region.

4. STAP strongly supports the linkages proposed with other centers of excellence and expertise in the region.

5. The PIF does not specify what global environmental benefits will be forthcoming, referring only to supporting ‘the realization of a number of global environmental benefits’.

**Response:** The Project is expected to mobilize the Mediterranean countries to improve their capacity on environmental management individually and jointly, with a focus on water pollution and management of the Mediterranean Sea. The other investment projects of the Sustainable MED Program are making investments into the needed infrastructure to directly abate pollution. The combination of the proposed project and the accompanying Sustainable MED projects are aimed at, and thus should deliver, tangible global environmental benefits.

6. A further risk, not mentioned in the PIF, may be that public participation as anticipated does not eventuate.

**Response:** The Project has a specific component dedicated to empowerment of local constituents. It may still be possible that the level of participation and engagement will be less than expected, but the Project is nonetheless addressing the issue front-on. This has been taken into consideration and mitigation measures have also been taken. Please also see section G.

7. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?

**(Comment by Severin on May 5 2009:** yes, the project design is sound and consistent. Please however, ensure that the project documents and the project framework, at the time of requesting CEO Endorsement are even clearer and the outputs and associated indicators are more quantifiable).

**Response:** The project design, framework and indicators have been improved in the PAD. The indicators have been made quantifiable.

8. Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?

**(Comment by Severin on May 5 2009**: Yes, incremental reasoning has been included. However, please strongly consider to reword and extent this section for the time of the request for CEO Endorsement. The incremental reasoning would stand out stronger/clearer if it displayed the difference of the two scenarios with/without GEF financing).

**Response:** Both the present documents and the PAD contain specific sections on incrementality. Despite the obvious difficulties in making quantified estimates, the analysis in the PAD follows the best possible economic approach to support the project's incremental rationale.

9. Are the confirmed co-financing amounts adequate for each project component?

**(Comment by Severin on May 5 2009:** Yes, it is considered to be adequate for the suggested project components).

**Response:** The project has already generated significant co-financing – US$ 4.4 million. The project team continues to identify and mobilize further co-financiers targeting among others, the UFM, AFD, the Swiss Cooperation, the Islamic Development Bank, DGIS (The Netherlands) and the European Union. This is in addition to the high amounts of co-financing associated to the other projects of the Sustainable MED Program.

10. Items worth noting at CEO Endorsement. Please strongly consider to respond to the two below points at the time of request for CEO endorsement:

i) To propose or an outline of possible mandate and responsibilities from similar Councils (i.e. Danube/Black Sea, Mekong) in order to have a benchmark.

**Response:** Given the multiplicity of existing institutions with similar mandates and working on related areas, the revised project structure does not envisage the creation of a new institution, but rather the support to existing initiatives and the initial formation of a Steering Committee. The Committee may evolve into a stand-alone institution according to the evolution of the Program. The inclusion of institutional models from other regions might suggest that the creation of an agency/institution might be an expected outcome.

ii) There are many potential knowledge partnerships in this Region, therefore the Project should keep competitive bidding process open for selection of knowledge partnerships during implementation, e g. for all excellence centers already mentioned in the PIF but not solely for them. Knowledge management and technical assistance should be managed carefully in tandem with the MENARID project.

**Response:** The proposed Project will follow Bank procedures to promote open and competitive procurement. The project would also provide a platform for existing local centers to convene and share knowledge and through that effort would help enhance their opportunities to participate.

**Annex c: consultants to be hired for the project using gef resources**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Position Titles*** | ***$/***  ***person week\**** | ***Estimated person weeks\*\**** | ***Tasks to be performed*** |
| **For Project Management** |  |  |  |
| **Local**  Administrator  M&E specialist | 2,000 | 52  8 | Local arrangements, counterpart implementing CMI's team management  M&E |
| **International** | | | |
| Procurement/accounting specialist  M&E specialist | 3,000 | 12  8 | Procurement, accounting, auditing  M&E (evenly split between 2 components) |
| Justification for Travel, if any: | | | |
| **For Technical Assistance** |  |  |  |
| Local |  |  |  |
| Environment Lawyer | 2,000\*\*\* | 75 | Review environmental legislation and sector legislation and propose integration |
| Environmental economist, environmental specialist and social specialist | 2,000\*\*\* | 150 | Identification to key problems, technical analyses, economic valuation and social incidence of problems |
| International |  |  |  |
| Environment Lawyer | 3,000\*\*\* | 50 | Review environmental legislation and sector legislation and propose integration |
| Environmental economist | 3,000\*\*\* | 50 | Economic valuation, economic instruments (MBIs), incentives in sector legislation |
| Environmental and social specialist | 3,000\*\*\* | 50 | Identification of key problems, technical analyses,social analyses |
| Justification for Travel, if any: Field trips by local and international consultants plus international consultants to countries | | | |

\* Provide dollar rate per person week.

\*\* Total person weeks needed to carry out the tasks.

\*\*\* GEF Resources would pay for two-thirds of this amount. One-third would be paid for with co-financing.

**Annex d: status of implementation of project preparation activities and the use of funds**

1. **explain if the ppg objective has been achieved through the ppg activities undertaken.** A PPG of 100.000 USD was approved but not utilized. The funds will be returned as per usual procedures.
2. **describe findings that might affect the project design or any concerns on project implementation, if any: N/A**
3. **provide detailed funding amount of the ppg activities and their implementation status in the table below: N/A**

**annex e: calendar of expected reflows**

Provide a calendar of expected reflows to the GEF Trust Fund or to your Agency (and/or revolving fund that will be set up)