



Global Environment Facility

MOHAMED T. EL-ASHRY
CHIEF EXECUTIVE OFFICER
AND CHAIRMAN

March 16, 2000

Dear Council Member:

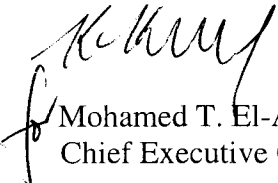
I am writing to notify you that UNEP, the Implementing Agency for the project entitled, *Regional (Albania, Algeria, Bosnia and Herzegovina, Croatia, Egypt, Lebanon, Libya, Morocco, Slovenia, Syria, Tunisia, Turkey): Determination of Priority Actions for the further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea*, has submitted the proposed project document for CEO endorsement prior to final approval of the project in accordance with UNEP procedures.

Over the next four weeks, the Secretariat will be reviewing the project document to ascertain that it is consistent with the proposal included in the work program approved by the Council in April 1998, and with GEF policies and procedures. The Secretariat will also ascertain whether the proposed level of GEF financing is appropriate in light of the project's objectives.

If by April 12, 2000, I have not received requests from at least four Council Members to have the proposed project reviewed at a Council meeting because in the Member's view the project is not consistent with the Instrument or GEF policies and procedures, I will complete the Secretariat's assessment with a view to endorsing the proposed project document.

We have today posted the proposed project document on the GEF website at www.gefweb.org. If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,


Mohamed T. El-Ashry
Chief Executive Officer and Chairman

Cc: Alternates, Implementing Agencies, STAP



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Your Reference:

9 February, 2000

Our Reference: GEF/Mediterranean

Dear Ken,

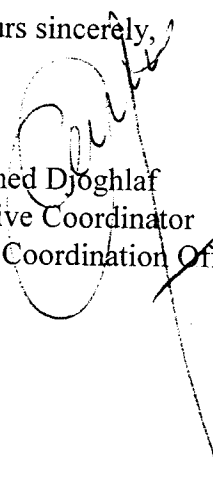
In accordance with the established GEF policies and procedures, I am pleased to attach herewith, for CEO final approval, the UNEP internal document of the project included in the GEF Work Program at the GEF Council held in April 1998 entitled:

Determination of priority actions for the further elaboration and implementation of the Strategic Action Programme for the Mediterranean Sea

The project document has been finalized in accordance with discussions amongst all partner agencies, and taking into account the STAP roster review as well as the comments made by Council members. You will note that substantial co-financing of US\$ 1.6 million has been secured from the French GEF Fund, that is additional to the co-financing envisaged at the time of Council endorsement of the project brief.

You will also be aware of discussions between the World Bank and specifically METAP and the Co-ordinating Unit for the Mediterranean Action Plan in Athens regarding the execution of the component relating to the pre-investment feasibility studies by the METAP. It became apparent during appraisal that additional administrative costs would be required to meet the costs of METAP participation. Accordingly, it was agreed that part of these additional funds would be provided by METAP and that part (US \$110,000) would be requested from the GEF at the time of submission of the project document. The UNEP internal document reflects this agreement.

Yours sincerely,


Ahmed Djoghla
Executive Coordinator
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Comments from Mr. Philippe Roch, Council Member from Switzerland (4/22/98)

Despite our basic positive appraisal, we feel that the information given leaves quite a few questions open and we would like to outline some of them:

1. We feel that the formulation of objectives and activities is not fully consistent and at times vague. Only after studying in detail the activities can it be understood how the project distinguishes between preparatory action and actual implementation. In fact its emphasis appears to be on preparatory action. According to the overall project goal ("to improve the quality of the marine environment ...") or §2.5 ("assist countries to prepare, adopt at highest level, and implement, country specific National Action Plans ...") one might expect the implementation of activities that directly refer to environmental impact and could be monitored through the evolution of pollution levels.
2. The project seems highly complex and very ambitious.
 - The root causes, as described in the document, are wide-ranging.
 - The budget totals USD 10-48 million, and covers 33 major activities, grouped into 9 components, which will be developed in parallel in 12 different countries. The time horizon is only 3 years.
 - Even when considering that the project's emphasis is on preparatory actions (see point 1), the time horizon is questionable. It should be remembered that similar regional coordinations in Western European countries took many more years to be successfully developed.
3. We would appreciate more information about the institutional set-up of the project.
 - Who are the national counterparts?
 - What is the legal role of the Interagency Steering Committee?
 - What are the competencies of the Project Co-ordination?
 - What will be the legal status of the different action plans and regional guidelines?
 - How will the co-ordination function?
4. The implementation of the action plans will require an enormous financial outlay. Therefore, we appreciate if that the project will focus on economic instruments, but we consider that it should also pay more attention to the risk that the overall goal or specific objectives are not achieved due to the lack of funds. Also, the risk associated to the lack of government commitments seems high, and the mechanisms to be developed under the project component no. 7 (to reach a sustainable financing of the implementation) are definitely not detailed enough to be convincing.

Last but not least, we regret that the STAP review is attached in its entirety. It seems inadequate to only present some quotes in the annex with scattered remarks that may provide some answers.

UNEP Response:

1. The emphasis is indeed on preparatory actions since a 350,000us\$ PDF-B is not sufficient to prepare both a TDA and a SAP covering 21 countries and the European Union. That a TDA, although of defined scope was developed during this phase is the result of the existing data and information collected since inception of the MEDPOL programme. The MED-POL Programme and more recently the TDA and the SAP provide scientifically sound information regarding the levels of pollution but do not provide sufficient information

regarding the sources of pollution to enable immediate remedial action. The project therefore concentrates on collation and interpretation of information regarding sources of pollution and alternative control strategies. The project is of a pre-operational character vis-à-vis concrete and practical pollution control measures which are expensive and require extensive financial investment. One criteria in the selection of hot spots for pre-investment studies will be the commitment of governments to future concrete investments.

2. UNEP accepts that the project is complex and will involve careful management nevertheless UNEP is convinced on the basis of past experience in this and other regions that only through such an integrated approach can advances be achieved. The three year time frame is for completion of preparatory actions and whilst it is ambitious is achievable given the existing mechanisms for co-ordination at national and regional levels that have been established in the Mediterranean during the past two decades. Considering that the process of preparing and finalising the TDA, SAP and the report on hot spots and their adoption by Governments in a little over one year, one could be quite optimistic regarding the time-frame for completion of project activities.
3. The project is operated under the umbrella of the Barcelona Convention and the periodic meetings of the contracting parties and bureau will receive reports from, and provide policy level guidance to the project. the Athens secretariat will be responsible for overall co-ordination utilising the offices established throughout the region, under the umbrella of the convention in appropriate activities. At a national level the main counterparts are government designated focal points that are also the focal points for the Mediterranean Action Plan who will be specifically responsible for co-ordination of national activities under the project. Their main responsibilities will be the creation in each country of an inter-ministry committee for the formulation, adoption and implementation of a national action plan. Following the creation of these committees a co-ordinator will be appointed who will supervise the preparation of the draft sectoral plans. The sectoral plans will be integrated into a draft national action plan which will be examined by the committee, and eventually approved by the national authorities.

The competencies regarding co-ordination of the project are distributed among the Project Manager (see Annex IX of the project document) the Inter-Agency Steering Committee (see below) and the Co-ordination Committee comprised of the members of the Inter-Agency Steering Committee and the National Co-ordinators. The co-ordination committee will be regularly briefed on progress in execution of the project and is expected to resolve problems encountered in the execution of activities at the national level.

The Inter-Agency Steering Committee will meet once a year to overview the execution of the project and to decide on the precise modalities for the execution and co-ordination of the agreed activities. Thus the legal role of the Steering Committee will be that of deciding through the Mediterranean Action Plan on technical matters during the execution of the project. The interagency steering committee will also act as a co-ordination mechanism to ensure close linkage between the components executed by UNEP, WMO & FAO and the pre-investment work to be conducted by METAP (UNDP & the Bank).

Day-to-day co-ordination will be maintained by the Project Manager who will liase closely with the Executing Agencies, the National Co-ordinators and the representatives of the GEF partners and other donors.

The different regional plans and regional guidelines are expected to be formally approved by the periodic meetings of the Contracting Parties so as to form a common basis for the preparation of each individual nation's action plan.

4. UNEP accepts that the implementation of all activities identified in the action plan will require substantial financial resources, however the action plans will be designed to prioritise actions for execution over specified time frames. It is important to recognise that the national priorities have been adopted by a full meeting of the contracting parties to the Barcelona Convention hence implying an obligation on the part of member states to address them. In addition it should be recognised that the project builds on long standing partnerships and experience of entities such as the World Bank, METAP and the EIB that will result in realistic selection of hot-spots selected for pre-investment studies. The project document provides a detailed methodology for the selection of the hotspots which will include economic and institutional criteria. It is anticipated that the project will encourage changes in national and regional strategies by proposing innovative financing mechanisms.

Comments from C. Garreta, Council Member from France (4/15/98)

A project deserving support, which may receive FFEM financing.

Questions could be raised regarding:

- the role of and value added by the FAO, which should be justified further (biodiversity component)
- the number of multilateral organisations involved, which risks inhibiting local ownership in the countries concerned.

UNEP Response

FAO is an essential partner in the process of formulating the Strategic Action Programme for Biodiversity. As indicated in the project document (see Annex XII) FAO is responsible for producing five outputs which reflect the competence of the organisation. The specificity of the information needed to prepare the five documents (study on fishing practices and fishing gear; impact of fishing activities on pollution; guidelines for the elaboration of national plans to control fishing practices; regional strategy to reduce the impacts of fishing activities on marine habitats; report on the introduction of marine species in the Mediterranean) makes the involvement and the use of FAO experience, data and information indispensable, considering the competence in issues related to fisheries and biodiversity, especially through the GFCM.

UNEP is also of the opinion that the involvement of a wide number of international agencies operating at national level through their partner agencies and organisations will ensure a broader base of participation at the national level than would otherwise be the case. In particular, in order to ensure local and national ownership, the project gives the responsibility for implementation of pre-investment studies and national action plans to the countries, which means that almost 70% of the funds of the project will be directly managed by the countries themselves through specific agreements.

Comments from Dr. Hans Peter Schipulle, Council Member from Germany (4/23/98)

The Mediterranean Action Plan (MAP) has been adopted 23 years ago (in 1975) and much information has been collected on the roots of the loss of environmental quality in the Mediterranean since then. The MEDPOL Programme in particular has assessed and monitored the environmental situation. The slow transition of the results into action seems not to be the result of the lack of information, know-how and adequate regulations, but due to a low priority given on national political levels and due to the lack of sufficient funds for investment. The project proposal offers ways for finding new concepts, strategies, guidelines, action plans, etc. but little work “on the ground” based on previous results by MAP which bring immediate benefits for the environmental situation.

The reasons for pollution are in most cases well known. Most pollution in specific areas is house-made and requires house-made solutions. A transboundary comparison and ranking in priority (which includes the development of criteria and methods for determining the transboundary significance) is an academic approach with little practical impact on problem solving.

The preparation of pre-investment studies on 51 “hot spots” seems to be very ambitious. It is, however, not likely that investments will be made for all these areas subsequent these studies. In a more practical approach a smaller number of areas could be selected, based on the actual need for reducing pollution and other adverse impacts and the probability of attracting an investment.

It should be considered whether the considerable efforts to draw specific National Action Plans (NAP) for the protection of the marine environment from land-based activities will enhance the efforts for the protection of these resources. Many countries in the Mediterranean have already National Environmental Action Plans (NEP), some countries have even country strategies. These plans already identify the priority of certain environmental working areas within a national context.

The success and sustainability of the project will largely depend on the fact to what degree the capacities of environmental decision-makers can be increased, and will also depend on public participation including the participation of local stakeholders. Although the proposal also identified these as major fields of activity, only 3.9% of the total project costs (and no GEF contribution) have been allocated for capacity building, and only 1.7% for public participation.

The technical and political process of a Strategic Action Plan for the Mediterranean will be incomplete, if the private sector is not sufficiently involved not only in the implementation, but already in the preparation and design of the plan. The private sector is the main stakeholder in the protection of the Mediterranean environment. For example, the private sector is apparently the main polluter (industrial pollution), the main harvester of fish stocks, and the main developer of the coastal zone (industrial and tourism zone”, etc. The proposal does not show whether attempts will be made to get the private sector on board.

UNEP Response

UNEP accepts that the slow response to identified priority problems in the past has been a lack of government commitment. UNEP is of the opinion however, that the adoption in 1998 of an amended protocol to the Barcelona Convention addressing Land-based sources of Pollution is indicative of a desire on the part of Mediterranean Governments to take action in the present context.

The identification of the 51 priority Hot-Spots is based on the existing database and what is intended as the next action is to determine their relative transboundary importance in order to identify which of these might be eligible for GEF support. Following this a limited number will be selected, in principle, one per country for the conduct of detailed pre-investment studies by the countries with the technical assistance of the METAP team. These studies will serve as models for adoption at national level of remedial actions addressing those hotspots which are of national significance.

It is intended that the national Action Plans will consist of specific prioritised actions targeting identified land-based activities rather than a more generic, open-ended environmental action plan

Assessing public participation and capacity building as a percentage of the project total costs does not provide an adequate reflection of the importance accorded these activities since almost half of the total GEF contribution is to be spent on pre-investment activities. In a number of activities public participation is in-built since a number of UNEP's regular partners, such as IUCN, WWF and other bodies representative of the views of sectors of Civil Society are involved in planning and execution of specific activities. These costs are not included in the component specifically directed towards public participation and capacity building.

Although UNEP is of the opinion that the private sector is not the sole source of problems in the Mediterranean the project does involve private sector stakeholders in various components of the work to implement the Strategic Action Programme. In particular the private sector will be involved in the preparation of national action plans and through the inclusion of industry, chambers of commerce, private firms etc. in the local co-ordination committees which will be established for the preparation of pre-investment studies.