



Global Environment Facility

Summary of Document GEF/C.25/8

GEF Resource Allocation Framework

Recommended Council Decision

The Council reviewed GEF/C.25/8, *GEF Resource Allocation Framework*, and noted its usefulness in advancing discussions on the RAF.

Executive Summary

1. Following the endorsement of the Policy Recommendations of the Third Replenishment in October 2002, the GEF Council has been working on the development of a Resource Allocation Framework (RAF). The Council has discussed the RAF at meetings in 2003 and 2004, and at two consultations that were held in September 2004 and March 2005. At the November 2004 Council Meeting, three motions were tabled by Council Members with a view to facilitating a final decision on the RAF at the Council meeting in June 2005.
2. Based on discussions during the consultations in March 2005 and elsewhere, there appears to be a strong view that an agreed consensus view on the outstanding RAF issues is preferable to a vote. There remain two outstanding structural issues: (i) the content of the Performance Indicator, especially as it relates to governance at the national level (and the related issue of public disclosure); and (ii) the percentage of GEF resources which should be allocated to individual countries (and, therefore, how much should be left for allocation within a group or groups).
3. Not all, but most, of the data required for the GEF Performance Index (GPI) are proposed to be borrowed from the World Bank and subject to World Bank policies on public disclosure. The GEF Secretariat has been in discussion with the Bank and is exchanging views on the extent to which, or the conditions under which, its most relevant data, the Country Policy and Institutional Assessment (CPIA) indicators, can be made available for RAF purposes. Currently, World Bank senior management has the issue under consideration and expects to provide a view in the near future.
4. The differences of view about the trigger date for moving to the country and group allocation phase are minimal, either July 1, 2006, or after the GEF Assembly which, subject to Council decision, is likely to be in the third quarter of 2006. In short the difference of view about the Phase 2 start date is at most three months. The arrears issue remains to be discussed.

5. Council Members may wish to think about the resolution of these issues under two scenarios, the first in which we have a definite and positive view from the World Bank about our ability to use CPIA data; the second in which we do not have by the time of our June Council Meeting a definitive view, that is, either no view, or one which involves pursuing a process over subsequent weeks.

6. Council Members are invited to accelerate their consultations on these issues over the course of May and into the period of the Council Meeting itself. The Secretariat would be happy to facilitate consultations in Washington on June 1 – June 2, and/or on June 4