

GEF6 replenishment meetings: African position after Paris meeting

1. STAR allocations:

At the Paris meeting, participants expressed broad support for the proposed package of adjustment measures to the STAR allocation methodology (to harmonize the allocation **ceiling across focal areas at 10%**, to increase the weight of the GDP parameter in the STAR allocation formula **from 0.04 to 0.08**, and to increase the **minimum allocation floor for LDCs to US\$6 million**). In other words, there was broad understanding on an aggregated floor of \$6 million for LDCs (CC=3, BD=2, LD=1) under the STAR; a few participants including Africa representative, suggested even floors (CC=2, BD=2, LD=2). Participants also agreed that the package provided an appropriate framework for meeting the objective of allocating an increased share of resources to lower-income recipient countries.

On that basis, some simulations have been undertaken by the GEF Secretariat and these are **Africa comments**:

Compared to GEF5, the GEF6 cumulative floor is improved. But, I am somewhat disappointed because since the Paris meeting, the Secretariat and donors have not made too much progress and have maintained an aggregated floor of 6 spread over the three areas covered by the STAR funds. **We wanted an increase of 8 or 10 for floors and for all recipient countries.**

Also, as regards the repartition among STAR areas, 2(CC)/2(BD)/2(LD) is the ideal because it will improve the resources of the field of land degradation, but things are not as simple as we might think. The analysis with the 3(CC)/2(BD)/1(LD) distribution shows that the main beneficiaries are countries that did not have enough allocations in GEF5, which would be fine regarding our main objective during this replenishment: direct resources to countries that need it most, notably the African LDCs. Whatever the scenarios, many African countries should not be too affected.

We looked specifically in Table 2 above what it gives country by country:

If we compare the **scenario 3/2/1** with regards to **2/2/2 scenario**, there are quite a few "losers" in Africa: Algeria (-2%), DRC (-6%), Egypt (-3%), Nigeria (-2%), South Africa (-2%), Sudan (-1%). But, we also see that there are big winners in African countries like: Benin (+14%), Burkina Faso (5%), Central (13%), Chad (15%), Djibouti (15%) ...

According to me, **scenario 3/2/1 is more advantageous for African countries** because most countries are not affected. Those who are affected still have an acceptable level of allocations compared to the whole. With scenario 3/2/1, land degradation area is not gaining enough in GEF6 compared to GEF5. The difference is only 0.5. Although BD and CC are already taking little account of land degradation in their objectives, it should be noted that donors were not ready at all to increase the level of its allocations.

Concerning flexibility between focal areas, and following the propositions made by the GEF Secretariat, our position is the following:

The limits of the flexibility should be increased; that would help promoting synergy among various focal areas covered by the STAR. As such, we propose that for allocations of between 7 and 20 millions, these limits are lifted at least 4 to 5 millions dollars. For other levels of benefits, we can follow the same proportions of increase.

2. Programming directions :

Comments:

The question remains the same: How to get access to these programs?

We know that access to these programs is voluntary and each voluntary country will use part of its allocations on the basis of a co-financing ratio of 1:1. This means that the more a country has a high level of allocation, the more it is entitled to more funding in these programs. Less STAR allocations means less funding under these pilot programs. This will be the case with the particular "food security" program mainly dedicated to Africa. The problem is how to ensure that countries with less STAR allocations will have the same access to this pilot program opportunities.

We were expecting more GEF fundings through the forthcoming pilot programs. To guarantee a minimum of equity among recipient countries, it will be necessary to allocate funding by region and within the same region, to setting a ceiling for all countries. This would allow a large number of countries to benefit from these programs.

3. Cofinancing:

Cofinancing plays a catalytic role in engaging private sector and other partners in GEF projects. Several countries including african countries recognized that role and they want the co-financing ratio is set according to countries capacities. **But african countries added however that this ratio is set at a such a level that it could be acceptable to countries with low capacity. We can suggest a ratio of 1:1 as is the case with integrated pilot programs.**

4. Procedures for projects design, projects implementation and projects monitoring and evaluation for GEF efficiency and country ownership:

- **As GEF projects are countries projects, GEF council and GEF Secretariat should initiate a reflection on an impartial procedures, as the GEF agencies and countries are partners in the project. The said procedures would increase the integration of GEF projects in national policies and strategies and ensure equitable partnership and projects sustainability on the field.**
- **To ensure the consistency of projects with national priorities and strengthen country ownership, the GEF council and GEF Secretariat should request the GEF agencies to provide a section in their monitoring and evaluation reports for GEF Operational Focal Points review and comments.**
- **After the project document validation workshop, and while submitting the final version of the project document to the GEF Secretariat, the GEF agency should copy the country trough the GEF Focal Point, and all interactive discussions between the GEF Secretariat and the GEF agency should involve the GEF Focal Point.**
- **Finally, it would be very important to reinforce the GEF support to the Operational focal point as its duties are growing. We suggest increasing the allocation granted to the GEF operational focal points from 9000 dollars to 20,000 dollars at least.**

5. Loan system:

Based on the past experiences, we recognize the role of such a system in the GEF: private sector engagement, other stakeholders mobilization, etc. But, we suggest to base it on the will of the recipient countries . This means that for countries with a portion of the allocations to be used as a loan, it is important to say " they can do " and not " they must do ". This allows countries to keep a certain degree of autonomy in how to use their allocations in connection with the urgent need to address simultaneously the performance, efficiency and effectiveness requirements.

The implementation of such a system must reflect the institutional scheduling in our countries. Force our countries to implement the loan system in the current institutional and financial environment, rather than solve problems, contribute to aggravate problems. So, our countries are not ready for this system, they prefer for the moment the grant system .