



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project
THE GEF TRUST FUND

Submission Date: 04/30/2009

PART I: PROJECT IDENTIFICATION

GEF PROJECT ID¹: PROJECT
DURATION: 60 months
GEF AGENCY PROJECT ID:
COUNTRY(IES): Global: Albania, Algeria, Bosnia Herzegovina, Bulgaria, Croatia, Egypt, FYR Macedonia, Lebanon, Libya, Morocco, Serbia and Montenegro, Syria, Tunisia, Turkey, West Bank and Gaza
PROJECT TITLE: Sustainable MED Governance and Knowledge Generation
GEF AGENCY(IES): World Bank, (select), (select)
OTHER EXECUTING PARTNER(S): UNEP
GEF FOCAL AREA (S)²: International Waters
GEF-4 STRATEGIC PROGRAM(S): IW – SP1/SP2/SP3 (see preparation guidelines section on exactly what to write)
NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable): MEDITERRANEAN ENVIRONMENTAL SUSTAINABLE DEVELOPMENT PROGRAM "SUSTAINABLE MED"

INDICATIVE CALENDAR*	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	June 2009
CEO Endorsement/Approval	August 2009
Agency Approval Date	September 2009
Implementation Start	October 2009
Mid-term Evaluation (if planned)	March 2012
Project Closing Date	December 2014

* See guidelines for definition of milestones.

A. PROJECT FRAMEWORK

Project Objective: To secure and enhance the delivery and impacts of the Sustainable MED Program and to put in place "sustainability elements" for an improved governance of freshwater, coastal and marine resources at the regional Mediterranean and at the country levels.								
Project Components	Indicate whether Investment, TA, or STA ^b	Expected Outcomes	Expected Outputs	Indicative GEF Financing ^a		Indicative Co-Financing ^a		Total
				Million (\$) a	%	Million (\$) b	%	Million (\$) c = a + b
1. Higher Council for Environment and Sustainable Development :	TA	Contribution to strengthening Governance in the Mediterranean region Related measures firmly embedded in institutional processes at regional and	<ul style="list-style-type: none"> 4 consultation events on the mandate and composition of the Higher Council Higher Council established and functional with clear mandate and responsibilities, and fully recognized and owned by the countries Confirmation of Sustainable MED priorities Approved Framework of Action for the Council Ad-hoc advisory panels established Policy notes on improved sustainability of freshwater, coastal, and marine resources 	0.600	83	0.120	17	0.720

¹ Project ID number will be assigned by GEFSEC.

² Select only those focal areas from which GEF financing is requested.

		<p>country levels</p> <p>Mainstreaming of improved water resources management, and improved coastal management into sectoral policies</p> <p>Adoption of water resource management policies to achieve common regional objectives</p>	<ul style="list-style-type: none"> • Approved Knowledge and Dissemination strategy • Annual Higher Council meetings organized 					
2. Knowledge Generation and Technical Assistance	TA							
2.1 Knowledge and information activities	TA	<p>Improved knowledge development, dissemination and sharing of information on transboundary pollution reduction and improved water resources management,</p> <p>Increased knowledge on vulnerability of water resources to climate variability, droughts, and floods, and means to enhance resilience to climate change</p>	<ul style="list-style-type: none"> • A regional center (Know-MED-Center) created as a knowledge hub • Approved Year 1 workplan of Know-MED Center • Implementation of regional TA projects to improve knowledge and share experience on transboundary pollution and vulnerability of water resources to climate variability • Strengthening of think tanks and centers of expertise in beneficiary southern and eastern Mediterranean countries • Development of an information network in collaboration with existing activity and information centers with priority focus on pollution, marine resources, fisheries, climate variability, and associated socio-economic data, • Dissemination activities (workshops, publications, including knowledge management and IW:LEARN activities) • Conduct a comparative analysis of other international Basins 	1.10	40	2.78	60	3.88

		Enhanced project cross fertilization and experience sharing,	programs; and exchange information with related regional initiatives <ul style="list-style-type: none"> Organize a regional forum on international waters projects 					
2.2 Technical Assistance and new investments		Support to identification and preparation of new investment projects	<ul style="list-style-type: none"> Project ideas for new investment projects identified and approved by the ad-hoc advisory groups Technical assistance for preparation of pre-feasibility studies and development of investment projects 	1.00	50	1.00	50	2.00
4. Project management and M&E ***	<ul style="list-style-type: none"> Technical Secretariat established fully staffed and operational 			0.30	10	2.70	90	3.00
Total project costs				A 3.00		B 6.60		C 9.60

^a List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

^b TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Project
Project Government Contribution	N/A	
GEF Agency(ies)	Cash and in kind	3,600,000.00
Bilateral Aid Agency(ies)	Cash and in kind (Unknown at this stage)	3,000,000.00
Multilateral Agency(ies)	Unknown at this stage	
Private Sector	N/A	
NGO	Unknown at this stage	,
Others	Unknown at this stage	
Total Co-financing		6,600,000.00

C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Previous Project Preparation Amount (a) ³	Project (b)	Total c = a + b	Agency Fee
GEF financing	0	3,000,000.00	3,300,000.00	300,000.00
Co-financing	0	6,600,000.00	6,600,000.00	
Total		9,600,000.00	9,900,000.00	300,000.00

³ Include project preparation funds that were previously approved but exclude PPGs that are waiting for approval.

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
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
Total GEF Resources					

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.

PART II: PROJECT JUSTIFICATION

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

THE ISSUE: Water is a critical sector and the threats to the environmentally sensitive ecosystems are directly undermining the resource base underpinning growing economies and the livelihoods of the communities of the Mediterranean countries, specially the Southern and Eastern ones. Substantial efforts have been made during the last decade by those countries towards strengthening the enabling framework for environmental management and protection. 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 Convention⁴ and its protocols, specially the new ICZM protocol, recently still in process of ratification, environment has become a higher national priority, affecting every production sector as well as livelihoods. 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. These include the Barcelona Convention and its protocols, and at the operational level the UNEP-MAP programm with its regional activity centers, including MED POL and Blue Plan, the EC-funded LIFE third countries and SMAP programs, the Mediterranean

⁴ **The Barcelona Convention of 1976, amended in 1995, and the Protocols drawn up in line with its Convention aim to reduce pollution in the Mediterranean Sea and protect and improve the marine environment in the area, thereby contributing to its sustainable development.** The Contracting Parties to the Convention will individually or jointly take all appropriate measures to protect and improve the Mediterranean marine environment in order to contribute to sustainable development in the area and to prevent, abate, combat and, as far as possible, eliminate pollution in this area. The Parties give particular attention to four types of pollution: (a) pollution caused by dumping from ships and aircraft; (b) pollution from ships; (c) pollution resulting from exploration and exploitation of the continental shelf and the seabed and its subsoil; and (d) pollution from land-based sources. The United Nations Environment Programme is providing the secretariat functions in the framework of the implementation of the Convention (convening and preparing meetings, coordination, etc.).

Technical Assistance Programme (METAP), and lately the EC Initiative Horizon 2020. These programs played, and will continue to play, a key role in helping develop national and regional capacity and channeling investment lending from the World Bank, the European Investment Bank, and other bilateral Developmental Banks towards improved management of natural resources and the environment.

Despite those achievements, significant environmental and water challenges for the Southern and Eastern Mediterranean countries remain. Some have, in fact, increased - reaching crisis-level in some areas. Economic and population growth have accentuated the pressures on natural resources, especially water and land, which are already under stress. Studies on the costs of environmental degradation (COED) estimate the losses to be in the order of 2.1 to 4.8% of the GDP of the countries in the region. These COED figures are high compared to other countries. The region continues to urbanize rapidly, with high population densities and economic activity concentrated in a narrow coastal strip, thereby creating increased pressures on the natural resource base. Coastal zones are degraded due to over-urbanization, industrialization, overfishing, and tourism development. Climate change is expected to exacerbate the pressures.

APPROACH TO ADDRESS THE ISSUE. A high profile national and regional political momentum to strengthen and sustain the platform for environmentally and socially sustainable development in the Mediterranean region has however emerged lately, and the strategic approach of the Sustainable MED Program, and of the proposed complementary project, is to capitalise on these recent developments which underscore the commitment and political willingness among Mediterranean countries for concerted action in addressing their common challenges, and to establish a proper platform to ensure a proper sustainable governance structure which takes into consideration both the sensitive nature and interaction among freshwater resources, the coast, and biodiversity of the sea, as well as activities and communities on the land. The rationale for support to the Mediterranean Sea Large Marine Ecosystem (LME) through the new Sustainable MED GEF Program and the proposed Governance and Knowledge Generation Project stems from both the continued and urgent need to address the transboundary water issues of the sea, its coast, and the basins draining to the sea.

In particular, the Project adds a transboundary large marine ecosystem management approach that captures additional benefits to the Mediterranean's people and their shared environment. The Project will address the broader aspects of transboundary management and capacity building for the shared water resources management. The proposed project is intended to complement the country specific investment projects developed under the Sustainable MED Program with the necessary sustainability elements starting by a relevant strong Governance structure to the development of tools such as economic instruments, development and enforcement of environmental law and policy, strengthening of public participation, and monitoring of trends and compliance set periods of time. This would complement the activities of the countries, and other bilateral and regional organizations with similar objectives, such as the Horizon 2020 Program and provide support to the recently approved ICZM protocol.

Improved effective management of freshwater, coastal and marine resources at the regional Mediterranean level also necessitates a governance structure based on sound knowledge and adopting a participatory approach. This entails understanding the economics and the political economy of these resources. Improving natural resource management requires the collection, analysis, use and dissemination of reliable information, adequately trained human capacity and suitably sensitized institutions and enabling legislation, that are effective at a range of scales - from users at the community level to sound policies at the national and transboundary levels. Thus, to protect the ongoing viability of investments made under Tranche 1 of the Investment Fund of the Mediterranean Strategic Partnership and those to be made under Sustainable MED, more emphasis should be put on the catalytic effect of nurturing other investments, related reforms, such as adoption of harmonized policy and legal frameworks. The

proposed governance arrangements under this project and the knowledge, capacity building and overarching technical assistance, will fill that niche. Thus, it is expected that the “Sustainable MED” Program, through this Project and other investment projects, will positively affect investments, policies and legal framework more broadly. It will also expand its scope to respond to the evolving landscape of environmental challenges in the region such as climate change.

The leverage of the overarching Sustainable MED Program, which will be achieved through replication and scaling-up of pilot demonstrations, would need to be complemented by improved knowledge, dialogue/coordination, and regional TA, needed to support new types of country-sector investments if the region is to overcome the challenges it faces.

The proposed “Know-MED-Center” and the country investments will make it possible to mainstream environment into new types of sector development activities, based on transferring knowledge and technology both by North-South and South-South cooperation in the region. The participation of various regional specialized centers from the Mediterranean region will enhance the opportunities of pooling additional technical resources in the water sector as well as other sectors which are planned to be considered and further developed during the next phases.

THE PROJECT’S OBJECTIVE is to secure and enhance the delivery and impacts of the Sustainable MED Program and to put in place "sustainability elements" for an improved governance of freshwater, coastal and marine resources at the regional Mediterranean level and at the country levels. This will include: (i) the initiation of a governance structure consisting of a “Higher Council for Environment and Sustainable Development” for renewed and coordinated assistance; and (ii) the initiation of a “Know-MED Center” which will allow for a targeted approach to knowledge generation, capacity building, informed decision making, and overarching technical assistance for new investments; with a focus on sustainability of freshwater, coastal, and marine resources for both communities and environment.

PROJECT COMPONENTS AND ACTIVITIES. The project consists of 2 main components:

1. Governance Component: Governance will be strengthened and related measures firmly embedded in institutional processes. This is an important aspect related to effectiveness in decision making and program implementation, particularly since complex transboundary issues are being addressed. The proposed governance structure for coordinating know-how and development assistance, including the establishment of a Higher Council for Environment and Sustainable Development, will increase the opportunities of integrating regional and global concerns at both regional and national levels; and increase the opportunities of mainstreaming improved water resources management, and improved coastal management into sectoral policies. The role of the Council is intended to be complementary to the role of Mediterranean Commission on Sustainable Development, which includes only representatives of ministries of environment, environmental IGO’s and NGO’s, experts and members of the scientific community.

The Council is envisaged to have clear mandate and responsibilities, and be fully recognized and owned by the countries. It would involve high-level representation (at cabinet or ministerial level) from both environmental and other sectoral agencies, equivalent-level representatives of other relevant regional and international organizations and representatives from the civil society, active in water and water related ecosystems in the region, according to their relevant expertise and experience. This council makes policy decisions, ensures coherence of Program priorities and provides the overall strategic guidance.

The establishment of the Higher Council is a very critical component of the project, and will have major impacts on the delivery of the Sustainable MED Program and its individual investment projects. A wide consultative participatory approach will be followed for the establishment of the Higher Council in order to ensure the highest levels of commitment and engagement. The Project will explore similar governance structures for common transboundary and basin countries, supported by GEF to be considered for the final design.

The project will move forward following a consultative and transparent process in order to define the exact mandate and responsibilities of the Higher Council. The exact composition and the terms of reference of the Council will be set and finalized within a twelve month inception phase of the project. This process will be implemented in close collaboration with existing processes such as the Union for the Mediterranean and the UNEP/MAP in its capacity as technical secretariat of the Mediterranean Commission on Sustainable Development (MCSDD). The project will more specifically continue its partnership with UNEP/MAP in the context of the Regional Component of the Mediterranean Strategic Partnership to plan and implement the process.

ACTIVITIES: The following activities will be implemented during the planned inception phase of twelve months of the project, to support the establishment of the proposed governance structure:

- 1.1 Organization of 4 consultation events on the mandate and composition of the Higher Council, including the identification of the most appropriate cabinet or ministerial level members, the sectoral affiliation beyond environment and the relevant organizations and Funding/Donor institutions (e.g., WB, EIB, ADB, EBRD, IDB, EC, bilateral donors) to join the Council, and their status in the council.
- 1.2 Establishment of technical advisory committees to provide the Higher Council with the necessary technical background to support informed decision making and propose issues to be included in the framework of action of the council. A decision will be taken during the inception phase on the tenure of these committees and whether they'll be standing or ad-hoc committees, their composition, and their terms of reference.
- 1.3 Preparation of a draft Framework of Action for the Higher Council
- 1.4 Preparation of a draft Knowledge and Dissemination strategy
- 1.5 Official establishment of the Higher Council and organization of first meeting within 3 months from the inception phase for: (i) confirmation of Sustainable MED priorities; (ii) endorsement of the Framework of Action of the Council; and (iii) endorsement of the Knowledge and Dissemination strategy
- 1.6 Launch the preparation of a select number of policy notes on urgent and priority issues for improved sustainability of freshwater, coastal, and marine resources

2. Knowledge Generation and Technical Assistance Component: Through this component the knowledge base will be developed to include new information and provisions put in place to provide overarching technical assistance. A regional center (Know-MED-Center) will serve as a hub for knowledge development and dissemination. The Center will also support knowledge generation and capacity building, aimed at better identifying and implementing appropriate investments and would help transferring knowledge, sharing best practices, and promoting adoption of policies to achieve common objectives. It will support exchanges of information and expertise, not only between individual projects, but also between Sustainable MED and other regional initiatives such as the Baltic Sea Program, the Black Sea/ Danube project, the South East China Sea Project, the Senegal River Basin Project and the Nile Basin Initiative. It is expected to facilitate both the acquiring of specialized capacity and replication of successes. Technical assistance will also be provided by UNEP within the context of the Regional Component of the Mediterranean Strategic Partnership and the expanded scope of the IF/Mediterranean Strategic Partnership. Special technical assistance projects will be developed to address critical

knowledge gaps propose models using the latest technologies to better manage water resources, droughts, and floods, and to enhance resilience to climate change in the Southern Mediterranean countries including the broader Arab Region. The proposed Arab Regional TA initiative to be implemented in collaboration with the Arab Water Academy, will more specifically focus on climatic challenges such as droughts and floods and their impacts on surface and ground water management, and thereby allow for more informed decision making. This initiative will utilise the Know-MED-Center and interphase with the UNEP Regional Component to further its objectives.

The Knowledge and TA activities developed under this project and other individual TA and investment projects under Sustainable MED may serve as a pilot or model for replication in other IW programmatic efforts of the GEF in other regions to improve on-the-ground sustainability for freshwater, coastal, and marine resources. Annual reporting on key indicators using the GEF4 IW Tracking Tool will also be undertaken as part of the Monitoring and Evaluation process of the proposed project, and included in the Know-Med annual workplans. The project will participate in initiatives supported by Sustainable MED, MAP and/or GEF, such as IW:LEARN and regional events and conferences and GEF biennial international waters conferences. A project website will also be established in accordance with the IW:LEARN guidelines.

This Center will also support a Technical Secretariat to support the Higher Council functions including the development and coordination of the investment projects under Sustainable MED Program.

Approach: The Know-MED Centre will help the Program identifying potential partners for the delivery of the Program. TA activities could also be out-sourced, when appropriate, to other regional and national centres as well as NGOs possessing the necessary expertise.

Knowledge development could be addressed through a training and capacity building program with other partners of the GEF Mediterranean Strategic Partnership to lead on the training of national government agencies, civil societies, community organizations and other possible stakeholders. Training tools and resources will be used and made broadly available through the Program's Secretariat.

Existing centers of excellence in the region will function as capacity building centers such as PAP/RAC for Coastal Zone Management, SPA/RAC for protected areas, IUCN Malaga center for coastal wetlands, Basel center in Cairo on hazardous wastes, WBI Knowledge Network Agency etc, which will organize training courses in regional workshops or on-line training operated through the Knowledge component. This network of centers of excellence will be coordinated by the Secretariat of the Sustainable MED Program.

The knowledge management system of the Regional Component of the Mediterranean Strategic Partnership can also be steadily expanded to incorporate the information from other projects and other priorities under the new Sustainable MED program. The system will create an information network on state of the environment, and on progress towards sustainable development, based on data and information from UNEP/MAP, its RAC's and partners, firstly focusing on pollution, biodiversity, fisheries, socio-economic data, but also bringing energy, climate change data etc. A Community of Practices of projects of GEF, UNEP and other organizations under the MSDP will be established to include data, policy and technology tools/instruments, and guidelines.

Results and lessons learned of the Sustainable MED Program will be analyzed for their replicability and broadly disseminated to stakeholders of the program.

Relevant think tanks and centers of expertise in beneficiary southern and eastern Mediterranean countries would be called upon as necessary on a case by case basis. One of the objective of calling upon the services of such centers is to strengthen them and help them operate in a sustainable manner, and to complement the Marseilles Centre activities in conjunction with the TA component.

Three clusters of technical assistance are proposed, mainly covering the program's areas of intervention, and targeting different beneficiary groups and stakeholders:

1. Public sector: Policy Formulation, Environment valuation, Cost of Environmental Degradation, Environmental Assessments, Payment for environmental services, Tools for Assessment of vulnerability and development of impacts scenarios, Strengthening of legal and judiciary systems; Programmatic Carbon Financing
2. Community Development and Knowledge development: technology sharing - centers of excellence, thematic networks, promotion of Community Development Carbon Fund (CDCF)

Private sector : Environment as a business opportunity, private sector involvement, environmental jobs for youth

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:

The proposed Project is an integral component of the Sustainable MED Program, and both are consistent with the national plans and development strategies of the respective countries. Water subsectors are critical to human survival and the threats to the environmentally sensitive ecosystems are directly undermining the resource base underpinning growing economies and the livelihoods of the communities. As these countries respond to water scarcity, degrading ecosystems in the face of climate risk and external shocks such as the food crisis, 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.⁵ 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 responds 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 UNFCCC) and contributes to achieving their international commitments.

⁵ Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean, Signed 16 February 1976, in force 12 February 1978, Revised on 10 June 1995

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

The objective of the Sustainable MED Governance and Knowledge Center is aligned with the broader Sustainable MED program which is fully consistent with GEF-4 Strategic Objectives (SO) for International Waters (IW), and in particular SP1, SP2 and SP3.

The project will also support activities that improve and bridge the knowledge gaps in areas of relevance to increase the resilience of the countries to the adverse impacts of climate change on vulnerable countries, sectors, and communities, which are also supported by the World Bank and its new programs on climate resilience.

C. 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 \$ 3 million GEF support for the project is expected to leverage additional co-financing of \$ 6.6 million for the Know-MED Center and specific regional TA activities, plus more substantial co-financing in terms of co-financing for the investments still to be identified under the TA component with the same significant ratio of (4:1), as a minimum, achieved for the individual projects submitted within the Sustainable MED package

This support will catalyze considerable budget resources from the various countries as well as bi-lateral and regional developmental organizations who have expressed 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.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

“Sustainable MED” will continue its engagement with the partnership between organizations, led by the GEF in the context of the Mediterranean Strategic Partnership, that brings together the World Bank, UNEP, MAP 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 Center 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.

E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING : The major characteristics of the incremental reasoning of the proposed “Sustainable MED” can be summarized as follows: (i) The Program 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 from 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, through a series of strategic pilot projects, the ability to undertake catalytic technical assistance and investment programs which could then inform and lead to replication and scaling up throughout the Southern and Eastern Mediterranean.

The regional approach of the proposed Governance component and of the Knowledge component 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.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MITIGATION MEASURES THAT WILL BE TAKEN:

Risks	Risk Mitigation Measures	Risk Rating with mitigation
Regional Component cannot undertake the activities assigned to it in support of the Fund	Collaboration by World Bank staff with UNEP, MAP and partners in Regional Component design; continued support and interaction with the Regional Component under its implementation.	M
Extensive coordination with partners diverts this new and small Secretariat from focusing on urgent tasks, i.e. that of coordinating with participating countries as well as with numerous bilateral and international partners.	The World Bank, as the Implementing Agency, together with the support of the GEF, help set up the Secretariat and help prioritize work plans, thus reducing the risk of overwhelming the Secretariat at the initial stage. In the meantime, the World Bank will help with coordination involving IW MED, METAP, UNEP-MAP, and others.	M
Technical assistance and capacity building bundling does not deepen catalytics between water and environment and broader development assistance setting	Technical assistance is provided both by a stand-alone project as well as components within the individual sub-projects. Technical assistance as an intervention is coupled to governance in order to construct new modalities for development assistance formulation, specific to the region's resource needs and political economies.	M
Water governance support and strengthening does not achieve intended purpose of mainstreaming environment into regional development assistance	The establishment of the proposed Higher Council for Environment and Sustainable Development has a primary objective to shift the sustainable development agenda from its current narrow	M

	environmental focus at the country levels to a broader multi-sectoral and economic focus, and to facilitate mainstreaming.	
Overall risk rating	Modest	M

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:

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Beyond the financial leverage, the sustainability elements of the Sustainable MED program, namely the “Higher Council” and “Know-MED-Center” will collectively ensure “sustained country ownership” beyond the formal duration of the GEF program. This adds to the cost-effectiveness for a programmatic GEF intervention versus fragmented projects. Additionally, capacity building and technical assistance will be delivered regionally to multiple countries at a time in a number of the projects which can take advantage of cost savings to demonstrate increased cost-effectiveness in addressing these complex challenges related to water and coasts in the region.

H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:

The comparative advantage of the Bank stems from the positive and proven track record and wealth of experience with regional IW initiatives such as the Baltic Sea Program, the Black Sea/ Danube Partnership Investment Fund and the Nile Basin Initiative. All of these programs have been transformational in the way water is managed as a global public good and in the wider context of sustainable development.

The Project will use the convening power of the World Bank, working in partnership with governments, donors, key organizations (UPM, UNEP, MAP etc.) and governments, to put in place the Higher Council and Know-Med Center and leverage investments. Subsequently the Bank will be able to use these elements effectively in promoting and addressing on the ground sustainability of projects and programs as part of the broader rural development agenda of the Bank. World Bank can also play an important role in promoting the SAP targets in the country dialogues and including them in the World Bank Country Partnership Strategies (CPSs) as they are developed, addressing transboundary pollution reduction and biodiversity conservation, and helping to mobilize funds from countries and donors for pollution reduction.

The World Bank is well placed through its loans and programs to obtain the levels of co-financing needed for the resource envelope requested from the GEF for the proposed “Sustainable MED” Program. The World Bank has already started approaching some bilateral and multilateral organizations; the level of contribution will be confirmed during preparation. The Bank will also play an important role in leveraging parallel financing for the scaling up and replication of the projects implemented through the program – particularly through the Know-MED Center and the effective use of the proposed Higher Council.


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE (Month, day, year)

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.
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Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Steve Gorman World Bank		May 5, 2009	Dahlia Lotayef, TTL	+202 2516 7431	dlotayef@worldbank.org