MID-TERM REVIEW OF THE GEF RESOURCE ALLOCATION FRAMEWORK

Delphi Study of the RAF Benefits and Performance Indices

Technical Paper #5

Prepared by World Perspectives Inc.

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Delphi Study of the Global Environment Facility's Resource Allocation Framework Benefits and Performance Indices

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Global Environment Facility
The World Bank
1818 H Street, NW
Washington, DC 20433
Email: stokle@thegef.org

Prepared by:

World Perspectives, Inc.
1300 Pennsylvania Ave, NW,
Suite 380
Washington, DC 20004
Tel: 202.785.3345
Fax: 202.659.6891
Email: wpi@agrilink.com

Date:

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1. Executive Summary

1.1 Introduction

As a component of the Global Environment Facility's (GEF) Mid-Term Review of its Resource Allocation Framework (RAF), World Perspectives, Inc. was retained to conduct three separate Delphi exercises addressing the GEF Benefits Indices (GBI) for biodiversity and climate change, and the GEF Performance Index (GPI). This undertaking was conducted during an approximately three-month period from June through August 2008.

Efforts were made to maximize participation both in the design and response components of this effort. Eighteen expert panelists supported the project team in the design of the three Delphi exercises in the three focal areas. In aggregate, a total of 112 experts representing a variety of institutions and regions of the world participated in these exercises.

Figure 1:

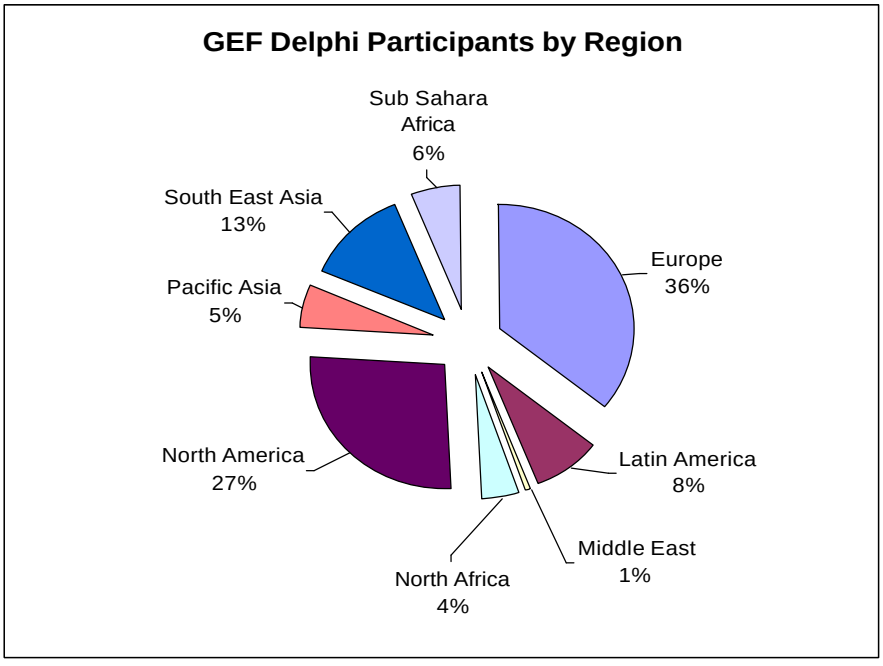
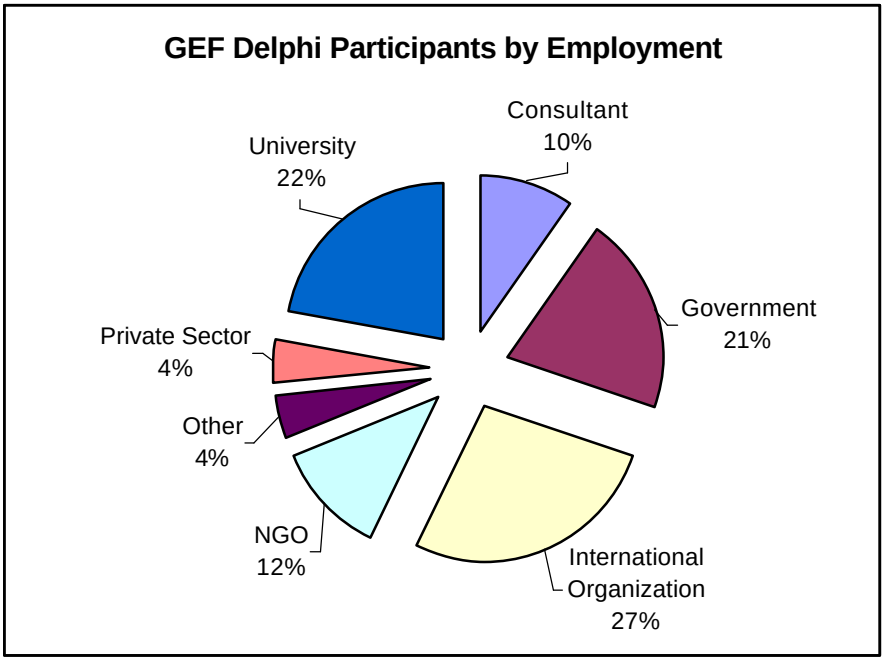


Figure 2:



Most of the questions asked participants for their views on specific propositions related to the RAF in general or to the specific index being addressed in the Delphi. The questions asked for numerical responses ranging from 1 to 10 with 10 indicating the strongest agreement with the proposition and 1 indicating the strongest disagreement with the proposition. Participants were encouraged to provide narrative comments and recommendations so that their numerical responses might be more clearly understood. They were also encouraged to review and consider other participants' scores and comments so as to encourage a dialog within this platform and ultimately lead towards some level of consensus.

In reviewing the responses, WPI coordinators focused on the aggregate impact of each response as represented by the average numerical response of the participants, the median numerical response, and the standard deviation. The WPI coordinators also reviewed all of the comments and recommendations. As a general rule, an average numerical response over 6 was considered to be indicative of support for the proposition. An average numerical response below 4 was considered to be indicative of opposition to the proposition. An average response between 4 and 6 was considered to indicate that participants were relatively neutral concerning the proposition. These initial findings were subjected to further review in light of the median responses, standard deviations, and the comments and recommendations of participants. The findings presented in this *Executive Summary* and the following sections of this report reflect the outcome of this total review.

1.2 Key Findings

As indicated above, participants in all three of the Delphis were asked questions related to the RAF in general as well as questions about the specific index that was the subject of the particular Delphi (i.e., biodiversity, climate change or performance).

In terms of the construction of the RAF, there is strong participant support for the current construct of the RAF. For instance, participants in the Delphi on the GPI generally believe that the system uses best practices to maximize global environmental benefits. Participants in the Delphi on the GBI for Biodiversity support the view that the vast majority of countries qualifying for individual funding under the RAF deserve to do so. However, participants were concerned about:

- **Transparency:** Participants in both the Biodiversity and Performance Delphis believe the transparency of the calculations supporting the RAF needs to be improved. Some of the participants' comments cited the complexity of the formulas and suggested that they might be "overdesigned." Another commenter said that it was not easy to find public information regarding RAF scores. Participants in the Climate Change Delphi were relatively neutral on this question, but did believe that there is too much of a concentration of climate change funding in too few countries.

- **Performance:** Participants do not believe that the RAF has much of an impact on country performance in either the short- or long-term. Participants strongly believed that the indicative allocations resulting from the RAF do not impact the quality of individual project proposals. Participants also do not believe that the system significantly influences performance in the longer term. Various reasons were cited for this conclusion ranging from the relatively modest level of GEF funding to the need to publicize performance results. Participants felt that too much climate change funding was allocated to too few countries and that a more balanced distribution of GEF climate change funding would result in greater mitigation of GHG emissions. Climate Change participants also felt that the RAF did not provide adequate incentives for countries to improve their mitigation performance over time, both for individual and climate change allocation countries.

Flexibility: Participants support the need for increased funding flexibility in some areas. For instance, there is sympathy for situations where countries may need access to 100 percent of their allocations in the first two years if needed for projects. Comments by some participants indicated that this might be a particular need for small countries and suggested that some sort of threshold be established for the early release of funds. Participants also favored the need for regional support for regional problems particularly through increased funding for regional projects. The climate change indices were found to be inflexible when taking into account crisis and post conflict situations.

In addition to these general findings, specific results from the individual Delphi panels are included below.

1.3 Biodiversity

- There is strong support among participants for the view that the RAF uses the most comprehensive and reliable data currently available on mammals, amphibians, birds, reptiles, vascular plants, freshwater fish and their habitats; marine fish; and endangered/threatened status of the world's terrestrial ecoregions.

- There is strong support among participants for extending the RAF to include the presence of marine invertebrates and ecosystems and a belief that sufficiently comprehensive and reliable data are becoming available for this purpose.

- There is strong support among participants for taking the costs of biodiversity conservation and sustainable use into account in the RAF and some indication that sufficiently comprehensive and reliable data are becoming available for this purpose.

- There is a perception among participants that the RAF is structurally biased toward conservation and against other goals of the GEF such as sustainable use of biological resources and benefits from transferring genetic resources across borders. There is support in particular for increasing emphasis on the benefits of transferring genetic resources across borders.

1.4 Climate Change

- Participants supported using the last available year as the best measure of GHG emissions. Participants believed that it is more appropriate to use per capita GHG emissions or energy intensity as a broad indicator of country mitigation potential than it is to use annual GHG emissions.. Energy intensity was reasonably strongly related to good policies, structural economic changes and energy efficiency measures.

- Participants were neutral on the question of whether the RAF indices and formula are too complex and lacking in transparency. However, there was strong agreement that too much of the funding for climate change was allocated to too few countries, and that a more balanced distribution of GEF climate change funding would result in greater mitigation of GHG emissions

- Participants felt that the RAF did not provide adequate incentives for countries to improve their mitigation performance over time, both for individual and climate change allocation countries. It was felt that the RAF should provide more

opportunities than those currently available, for positive interactions between climate and biodiversity work or with other focal areas. The climate change indices are not considered very flexible especially when taking into account crisis and post conflict situations.

- There was a strong consensus among respondents that the RAF should balance funding between adaptation and mitigation in developing countries; and that most of the funding for adaptation should go to the most vulnerable countries.

- There was a neutral attitude among participants about how vulnerability should be defined—whether it is a vulnerability index or principle.

- There was support among participants for compiling a database similar to CAIT-UNFCCC, which can use other data, while there was a neutral attitude among participants about usability of the WRI-CAIT data to calculate the GEF Benefit Index (GBI), rather than using GHG emissions inventories from National Communications.

1.5 Performance

- Participants support the increased weight accorded the GPI vis-à-vis the GBI in the RAF. There was recognition among participants that this weighting is a judgment call but that performance should generally be weighted more heavily than potential.

- Participants recognize the need for capacity building. In comments, they recognized that the GEF has multiple objectives and that one of those objectives is to "level the playing field."

- Participants support the 90 percent weight accorded to country policy and institutional performance within the GPI. Participants recognized that without improved governance, countries will be unable to make effective use of GEF funds.

- Participants also support the inclusion of portfolio performance within the GPI and believe that portfolio performance is a useful partial measure of a country's ability to successfully implement GEF projects. Commenters referred to portfolio performance as a "reality check." One commenter suggested that the GEF consider working with the World Bank and the Asian Development Bank to improve transparency in this area by harmonizing their approaches.

2. Background

The Resource Allocation Framework (RAF) Mid-Term Review Terms of Reference, as approved by Global Environment Facility (GEF) Council November 21, 2001, included a recommendation that panels of independent experts be consulted to provide assessments of the components of the RAF: i.e., the GEF Benefits Indices (GBI) for biodiversity and climate change and the GEF Performance Index (GPI). The panels for biodiversity and climate change were directed to include independent experts on issues in these areas. The panel on the GPI was to include experts with an understanding of performance based allocation systems at other multilateral institutions.

The GEF determined that the Delphi technique should be used as the means of engaging these experts in a process to obtain their accurate and unbiased estimates. Using the process, the Delphi exercises on the RAF indices aimed to address:

- the extent to which the global environmental benefits indices in biodiversity and climate change reflect best available scientific data and knowledge;
- the extent to which the performance indices can be considered as "best practice";
- the extent to which the RAF is designed to maximize global environmental benefits in each of the focal areas;
- what recent developments should be considered for potential changes in the indices.

The GEF retained World Perspectives, Inc. (WPI), a Washington D.C.-based consulting firm, to undertake the independent Delphi exercises of the RAF for the mid-term review. World Perspectives, Inc. (WPI**),** founded in 1980, provides worldwide market intelligence, analysis and consulting services covering both markets and public sector policies. WPI's project team included three focal area coordinators with respective expertise in biodiversity, climate change and performance.

Biodiversity: WPI consultant Dr. Erik Lichtenberg is a renowned expert in agriculture and environment, land use, and natural resource economics. He is Professor, Department of Agricultural and Resource Economics at the University of Maryland (College Park, Maryland, USA). Dr. Lichtenberg has researched, written and spoken extensively on performance based environmental systems.

Climate Change: Dr. Mohan Munasinghe, contributing as a consultant to WPI for this study, presently serves as Chairman, Munasinghe Institute for Development (Colombo, Sri Lanka); Vice Chair, UN Intergovernmental Panel on Climate Change (IPCC), Geneva; Honorary Senior Advisor to the Government of Sri Lanka; and Visiting Professor, United Nations University, Tokyo. Until recently, he was Senior Advisor/Manager, World Bank, covering sustainable development, environmental policy, water, energy and transport; and Chancellor, International Water Academy, Oslo. After working over 35 years in the international arena, he is recognized as a leading world

authority on environment and development, with field experience in climate change adaptation and mitigation, disaster management, economics, environment, energy, telecommunications, transport, urban infrastructure, and water resources projects in most developing countries.

Performance: Prior to becoming a consultant, WPI team member Steve Dewhurst had a distinguished career with the U.S. Department of Agriculture with more than 39 years of service including 26 years as Director of the Office of Budget and Program Analysis and Budget Officer. During his many years of service with the Department he served as a key advisor to 12 cabinet officers in developing, presenting, and executing USDA's $110+ billion annual budget. Mr. Dewhurst has extensive experience in reviewing and operating resource allocation systems. He is highly regarded for his understanding of policy, programs and budgets and is a five time recipient of Presidential Rank Awards for outstanding government service. He is a past President and Board Member of the American Association for Budget and Program Analysis and is a recipient of that organization's National Distinguished Service Award.

3. Scope and Methodology

Following the Delphi methodology, three exercises (biodiversity, climate change, and performance) consisting of two phases were undertaken. In the first phase, WPI, in cooperation with three small panels of selected experts (see *Appendix A* for list of experts), collaborated in the preparation of protocols (see *Appendix C* for the full protocols) customized for the respective focal areas. These questions were based on the RAF background information and key questions and sub-questions identified by the GEF for the Mid-Term Review (MTR). The protocols were sent to the GEF Evaluation Office (EO) for review and approval before being finalized.

WPI focal area coordinators worked with their respective expert panelists to identify the concerns and issues to be covered by each protocol and the specific questions to be asked of the participants. In this context, the focal area coordinators each reviewed the background materials for their segment of the project. They then identified key areas of concern and within those drafted a series of related questions. Special effort was made to present the concerns as being neutrally formulated (i.e., not leading or suggesting a preference for a specific outcome).

The draft protocol was sent to the GEF EO for review and input. After incorporating and otherwise addressing the GEF's comments, the draft was sent to the expert panelists for their input. Panelists were given approximately one-two weeks to review and respond to the draft. All input and comments were merged into a single draft and a determination was made by the focal area coordinator as to if and how this information would be incorporated. A final draft was presented to the GEF EO for their approval.

Each of the resulting Delphi protocols provided a focal area-specific introduction. This included background concerning the Mid-Term Review and an overview of the RAF and the indices which support the RAF. It also included additional specific information about the index being addressed by the particular protocol.

Each of the protocols then provided a description of the Delphi process. The Delphi evaluation approach permits participants to address issues independently on the basis of their expertise. Participants were also advised that they would have an opportunity to consider their position further in light of anonymous feedback of the general opinion of the group. Over the course of the Delphi exercise participants had the opportunity to adjust their responses if they wished, in the context of this new information. It was not deemed necessary that views across the range of participants be the same. Rather, it was expected that sometimes views would converge as information became available; and sometimes they would diverge as different points of view emerged.

Participants were asked to answer only those questions they felt comfortable answering; leaving the others blank. Anonymity during the Delphi exercise and afterwards was assured, with the caveat that the names of participants in the Delphi exercises would be listed in the final report of the Delphi studies.

Each of the protocols then proceeded to the specific concerns and questions which had been identified for the respective focal area. The questions generally asked for a response on a numerical scale, typically 1 to 10. Participants were strongly encouraged to expand upon their numerical responses with text comments so that their responses might be more completely understood. Where it was judged to be helpful, the protocols provided specific points of information relevant to concerns, or questions, and references for further reading if necessary.

WPI employed the Real Time Delphi resource (www.realtimedelphi.org) as the platform on which the protocols were made accessible, input collected, and results shared among participants. For each question, the participant could see the average (or median) response of the group so far and the number of responses involved in arriving at the average or median. Participants could also see the textual comments or reasons provided by the other participants.

While the Delphi studies were under development, the study team was also working to identify experts to be invited to serve as participants. This process included outreach to expert panelists who were asked to nominate potential participants from their contacts, desk audit and literature review, review of key meetings and industry event speaker/participant lists, referrals from other invitees, and GEF EO staff from their contact lists.

The draft lists of potential participants were reviewed and agreed to by the EO, considering (a) the need for a balance of geographical and technical expertise, and (b) the need to avoid any potential conflict of interest, i.e., participants should not currently be benefiting from GEF support.

The specific criteria for identifying potential participants were as follows:

- Participants should possess relevant expertise by virtue of past or current work responsibilities at the mid or senior level.
- Participants should represent expertise on one of the three pillars in the RAF indices (performance, biodiversity and climate change).
- In biodiversity, particular emphasis was placed on locating expertise on terrestrial biodiversity resources; marine resources, ecosystems, threatened species and vulnerable ecosystems, GIS systems; agro-biodiversity; biosafety, land use change and carbon sequestration; invasive species; land degradation and SLM; transboundary issues; and the policy, institutional and regulatory framework.
- In climate change, expertise was sought on mitigation; adaptation and vulnerability; GHG emissions, energy intensity, carbon sequestration, and the policy, institutional and regulatory framework.
- In performance, we sought expertise on resource allocation systems, capacity building, governance as represented by the policy, institutional and regulatory framework, portfolio monitoring and country assessments.

- Respondents were to come from diverse stakeholder groups (especially from academia, science and research but also government, the private sector, NGOs, donors and development organizations), and from both developing and developed countries.

As a result of this process, almost 200 invitees were identified for the biodiversity Delphi, over 400 for climate change, and about 120 for the performance Delphi.

3.1 Limitations

Participation in a Delphi exercise can require a substantial investment of time. For this reason, it was anticipated that the number of actual participants in each of these three Delphi exercises would likely represent a relatively small percentage of the universe of potential participants. In addition, it is important to note several other limitations which impacted these exercises.

Timeframe: Each of the three Delphi studies was run for slightly over one month which limited the amount of time and availability for participants to respond, as well as to participate in iterative stages. An average length of time to run a Delphi exercise would typically be anywhere between six weeks and six months. The active dates of the respective GEF RAF Delphis (inclusive of publicized extensions) were as follows:

Focal Area	Start Date	End Date
Biodiversity	June 17, 2008	July 31, 2008
Climate Change	July 3, 2008	August 10, 2008
Performance	June 16, 2008	July 31, 2008

Additionally, running the process during the summer was specifically cited by some invitees as a limiting factor for their participation.

Protocol Length and Complexity: Each of the protocols included between 4-10 pages of introduction, background materials, formulas, tables and charts. *Concerns* supported by *Points of Reference* and *Select Reference Materials* required additional reading and in some cases further external review. This volume of material which participants were asked to review was noted by some as significant and was likely an impediment to gaining higher participation levels. In addition, each protocol asked participants to respond to a relatively large number of questions as follows:

Focal Area	# of Concerns	# of Questions
Biodiversity	9	30
Climate Change	8	39
Performance	6	45

Complexity was also cited as a reason that prevented at least some from participating in the process. This factor was most pronounced for the Performance Delphi. While the

protocol was cited as being well designed and executed, a number of potential respondents indicated that they did not feel they had sufficient background, current expertise, or specific knowledge of the GEF's performance based allocation system in order to comment on it.

These limiting factors clearly had an impact on the levels of participation and interaction in these Delphi exercises.

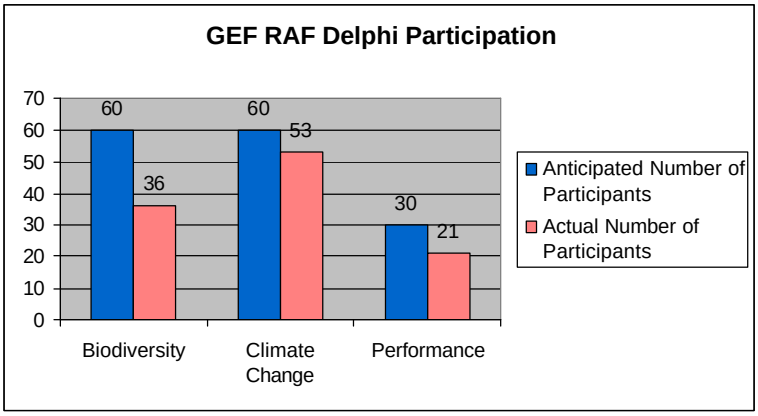
For both the Biodiversity and Climate Change Delphis, at least some of the participants focused on answering those questions directly related to their area of expertise (such as terrestrial or marine life), but they may not have commented on any other area. Our instructions directed participants to respond only to questions which they felt knowledgeable on, so this was a reasonable outcome.

3.2 Participation and Interaction

WPI, in cooperation with GEF and the expert panels, made strong efforts to encourage participation and interaction. Regarding participation, a personalized email explaining the undertaking was sent to each invited expert participant. Three more email contacts were made with each non-participant reminding them of the invitation, updating them on findings to-date, and alerting them to deadline extensions. Numerous additional emails were sent responding to specific queries. Some of these interactions led to telephone interviews being conducted (specifically for the Performance Delphi). An abridged protocol was developed for both the Biodiversity and Performance Delphis thereby enabling a small number of additional invitees who cited length and complexity of the base protocols to respond. Potential participants who logged in and registered on the Real Time Delphi system did not respond to the protocol were all emailed and some were also called to attempt to gain their participation.

The following table (see next page) shows the actual participation for each exercise vis-à-vis the number of anticipated participants. Specific demographic indicators of the respondents are presented in the respective focal area chapters that follow.

Figure 3:



As indicated in the table above, total participation was lower than anticipated. However, we believe that the aggregate characteristics of those who did participate met the criteria for participation listed earlier in this section and constituted a reasonable representation of the entire population of potential participants for each focal area. We have given extra consideration in the analytical sections of this study to address this factor. For instance:

For the Biodiversity Delphi, in interpreting participants' comments we gave specific consideration to whether respondents specialized in terrestrial or marine systems. In the climate change analysis we gathered further insights as to the specific discipline of the respondents to be able to better appreciate the perspective informing their input. On performance, the potential respondent pool was more narrowly identified as requiring an understanding of performance based allocation systems at other multilateral institutions. This limited the potential participant pool to monitoring and evaluation experts, experts at multilateral institutions, and consultants who work with these institutions.

To generate new interest among invitees, and on-going dialog with previous participants, emails highlighting key areas of interest among participants and select findings to-date were distributed via email during the course of the Delphi exercise. While a specific second iteration did not uniformly occur, a number of participants did go back in to their initial responses and provided comments to other participants' comments and updates to their own input. To that extent, there was a sharing of ideas contributing to a process that provided an opportunity for consensus decision-making.

In many instances consensus was not reached. We attribute this to several factors. First, participants were identified specifically to represent varied views, interests, affiliations and regions so the potential participant pool had many well-formed opinions prior to this exercise that were not likely to change in this forum. The anonymous nature of a Delphi exercise, while allowing participants to respond freely, knowing who is in the discussion so that their perspectives can be better understood may have provided for more debate. Nevertheless, the Delphi requirements of anonymity and feedback were met, along with a process that yielded the distribution of the group's responses and reasons for extreme positions.

4. Biodiversity

4.1 GEF Benefits Index for Biodiversity (GBI_{BIO})

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change. Each of these two focal areas has approximately US$1 billion to allocate among recipient countries for four years of project activity. The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and potential) through a GEF Benefits Index (GBI) and readiness (demonstrated by portfolio performance and policy/institutional performance) through a GEF Performance Index (GPI).

The GBI_{BIO} is a weighted average of two scores—one for terrestrial species and ecosystems (including freshwater species and ecosystems), the other for marine species and ecosystems—each of which is itself a weighted average.

A country's terrestrial score is calculated using information on species present in each country, the country's share of the habitat of each species, threatened and endangered status of species, ecoregions represented, and threatened status of each ecoregion. Scores are calculated for each ecoregion located in a country (country-ecoregion components, or CECs). Each species of mammals, birds, amphibians, reptiles, fish, and vascular plants represented in a CEC is given a credit equal to the country's share of the habitat of that species; the CEC's "represented species" score equals the average of normalized credits for these six taxa. A separate score is given from the number of endangered or threatened mammals, birds, and amphibians in each CEC, with different weights given to species that are classified as extinct in the wild or critically endangered and species that are classified as vulnerable. The overall CEC score for threatened species is calculated as the average of normalized credits over all three taxa. Each CEC is also given a score for represented ecoregions equal to its share of the overall area of the ecoregion to which it belongs and a separate score for threat status, with different weights given to ecoregions classified as critical/endangered, vulnerable, and stable. Each CEC's overall score is a weighted average of its represented species score, its threatened species score, its represented ecoregion score, and its threatened ecoregion score:

> **CEC Score = 0.55×Represented Species + 0.20×Threatened Species + 0.15×Represented Ecoregion + 0.10×Threatened Ecoregion.**

Each country's composite terrestrial score is the sum of the scores of all CECs located within its boundaries.

Due to data limitations, a country's marine score is based solely on represented fish species, with credit for each marine fish species present equal to the country's share of

the estimated habitat of that species and the overall marine score equal to the sum of its represented species credits.

A country's GBI_{BIO} is a weighted average of its terrestrial and marine scores, with its terrestrial score receiving 80 percent of the weight and its marine score receiving the remaining 20 percent:

$$\mathbf{GBI_{BIO} = 0.8 \times Terrestrial\ Score + 0.2 \times Marine\ Score}$$

A country's overall score for biodiversity is a weighted geometric mean of its GBI_{BIO} and Global Performance Index (GPI) scores:

$$\mathbf{Country\ Allocation\ Number = GBI^{0.8} \times GPI^{1.0}}$$

A country's indicative share of GEF Biodiversity Program funding equals its country allocation number divided by the sum of all country allocation numbers. The countries with the highest allocation numbers adding up to 75 percent of total GEF Biodiversity Program funds are eligible for individual funding. The remaining countries compete for funding from a common pool.

4.2 About This Delphi

The GBI_{BIO} Delphi exercise was conducted from June 16, 2008 through July 31, 2008. This Delphi was designed to provide an assessment of the GBI_{BIO} and RAF, specifically, the extent to which the GBI_{BIO} reflects the best available scientific data and knowledge, and the extent to which the RAF is designed to maximize global environmental benefits in the area of biodiversity. The Delphi exercise was also designed to elicit views on what, if any, recent developments should be considered for potential changes in the GBI_{BIO} and RAF. Specific questions designed to elicit the views of participants on these overarching questions fall into six areas of concern identified during review of Global Environment Facility (GEF) documents on the RAF and clarified through interaction with GEF staff and the GBI_{BIO} expert panel:

1. The quality and comprehensiveness of the data used to calculate the GBI_{BIO}
2. The treatment of terrestrial/freshwater versus marine biodiversity
3. The extent to which the GBI_{BIO} takes into account all concerns of the GEF biodiversity program, including promotion of sustainable use of biological resources and generation of benefits from the transfer of genetic resources across borders in addition to conservation of biodiversity
4. The adequacy of performance measures used in determining country allocation scores
5. The transparency and fairness of the RAF
6. The desirability of using indicative allocations.

Based on these concerns, Delphi participants were asked to respond to 30 questions covering a range of general and specific topics identified with the help of the GBI_{BIO}

expert panel. Almost 200 individuals with general background in biodiversity conservation and/or specific background in the GBI_{BIO} were invited to participate in the GBI_{BIO} Delphi exercise. The number of invitations sent overstates the potential pool of participants, however, since invitations to participate were sent to multiple staff members of the major international institutions and NGOs active in biodiversity conservation with the aim of getting at least one participant from each organization. Also, a number of email addresses were not valid and updated contact information could not be found for many of those invitees.

It was hoped and anticipated that 60 individuals would choose to participate in the exercise. As noted above, significant effort was made to encourage participation through a variety of approaches including deadline extensions, reminder emails and personal contacts. In the final analysis, 36 individuals chose to participate. Participants could see the responses of other participants as they initially completed the protocol and we could see evidence in the comments that the views of at least some participants were influenced by seeing the views of their colleagues.

GEF RAF Biodiversity Delphi: Key Figures	
Distinct participants with unique email addresses, names, regions, and employment used with Biodiversity	36
Total number of numerical questions answered	713
Average number of questions answered per participant	19.8
The maximum number of answers to any question	33
The minimum number of answers to any question	0

Participants represent a cross section of institutional and regional representation. In institutional terms, 10 participants are from universities, 9 from NGOs, 8 from government agencies, 7 from international organizations, and 2 are consultants. In regional terms, 13 of the participants are from Europe, 12 from North America, 4 from Latin America, 2 from Southeast Asia, 2 from Pacific Asia, 2 from Sub Saharan Africa, and 1 respondent is from North Africa. In terms of fields of expertise, 16 have a background in conservation biology, 8 in other biological sciences (ecology, ecotoxicology, entomology, fisheries biology, veterinary science), 6 in economics, 4 in other social sciences (sociology, political science, law), and 1 in business development. (The background of the remaining participant is unknown.)

Figure 4:

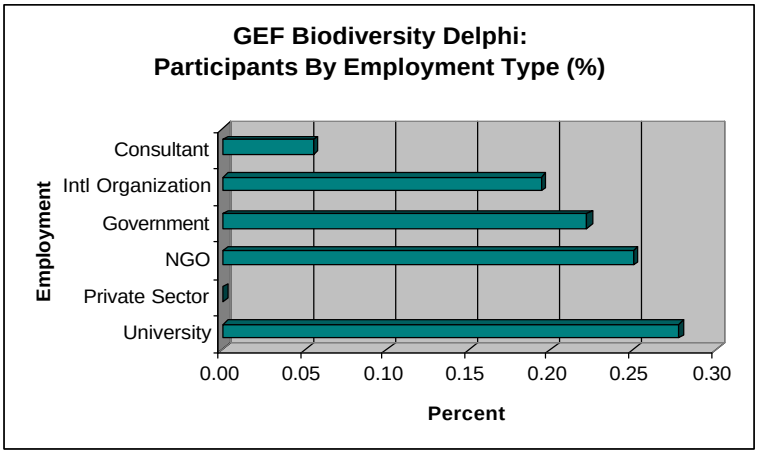
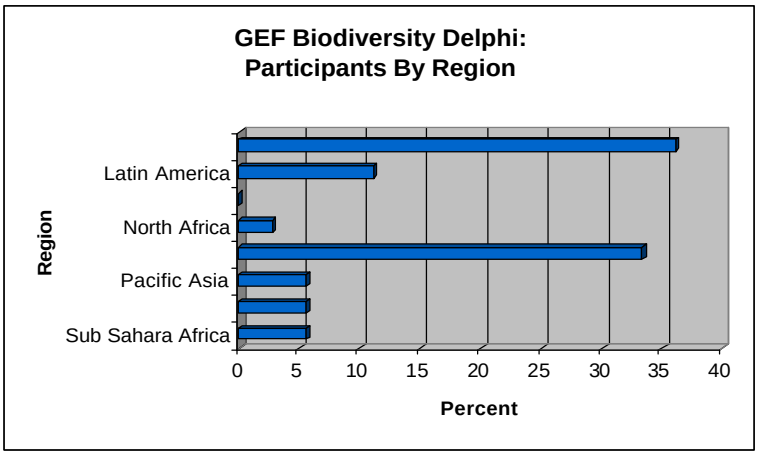


Figure 5:



4.3 Summary of Results

The following summary of the results of the GBI_{BIO} Delphi exercise is focused on the six general areas of concern indicated above. Within each concern are those questions where participant responses indicated a need for further discussion. Subsequent sections of this report provide more details of the participants' numerical responses and comments.

4.3.1 Quality and Comprehensiveness of Data

The GBI_{BIO} uses data on mammals and amphibians, and the habitats in their area of occurrence from the International Union for the Conservation of Nature (IUCN) Red List; data on birds and their habitats from BirdLife International; data on reptiles, vascular plants, and their habitats from the United Nations Environment Programme (UNEP)-World Conservation Monitoring Center; data on freshwater and marine fish from

FishBase; and the World Wildlife Fund's (WWF) characterization of the endangered/threatened status of the world's terrestrial ecoregions.

- **Participants expressed strong support for the view that these data are the most comprehensive and reliable available for these items.** The average response to this question was 7.3 with a standard deviation was 2.5; the median was 8.0 Moreover, several of those who gave numerical responses of 3 or 4 (indicating a low degree of comprehensiveness and/or reliability) stated in their comments that these were in fact the best data available. **Others suggested augmenting these data with data from university studies and CGIAR data on biodiversity.**

At the same time, participants support the view that that data used in the GBI_{BIO} should be expanded to incorporate a broader range of taxa.

- **There was strong support for the view that the GBI_{BIO} should be expanded to incorporate marine invertebrates.** The average response to this question was 8.2 with a standard deviation of 2.5; the median was 8.0.

- **There was moderate support for the view that the GBI_{BIO} should be expanded to take into account terrestrial invertebrates.** The average response to this question was 6.3 with a standard deviation of 3.2; the median was 6.0. Participants indicating strong disagreement about the desirability of including these taxa argued that invertebrate species richness and diversity is too poorly documented and that knowledge about invertebrate biodiversity is so patchy that including them would introduce significant biases. Other participants objected to measuring biodiversity by counting species and expressed a desire for an ecosystem-based approach but had no concrete suggestions about alternatives.

4.3.2 Treatment of Terrestrial versus Marine Biodiversity

A country's marine score is based solely on represented fish species. As noted above, the RAF takes into account neither the presence of ecosystem types nor the threatened/endangered status of either individual species or ecosystems. Participants were asked whether there existed data that would allow for the inclusion of ecosystem type and endangered/threatened status and, if so, whether these items should be included in the GBI_{BIO}.

- **There was strong support for the view that threatened/endangered status of species and ecosystems should be treated that same way for marine biodiversity as for terrestrial biodiversity.** All but one of the participants believed they should (out of 20 responses for the question about marine species and 17 responses for the question about marine ecosystems).

- **There was less agreement about the feasibility of doing so**, although participants were somewhat more positive about the feasibility of including threatened/endangered status of ecosystems than individual species. The average

response to the question about the availability of data for assessing threatened/endangered status of marine ecosystems was 6.3 with a standard deviation of 2.5; the median was 5.0. Areal extent of coral reefs, mangrove areas, and seagrass beds were cited as possible indicators of marine environment. The average response to the question about the availability of data for assessing threatened/endangered status of marine species was 4.8 with a standard deviation of 2.2; the median was 5.0. In comments, participants made a number of specific suggestions about databases that could be used for both purposes.

The RAF gives a country's terrestrial biodiversity score four times as much weight as its marine biodiversity score (i.e., the terrestrial score counts for 80 percent of each country's biodiversity benefits index while the marine score counts of 20 percent). Participants were asked about the weighting of the terrestrial score.

- **There was moderate support for the view that terrestrial biodiversity is according too much weight relative to marine biodiversity**. The response was 6.3 with a standard deviation of 2.8; the median was 6.5.

4.3.3 Relevance of the RAF for GEF's Biodiversity Program Priorities

The goals of the GEF Biodiversity Program are conservation of biodiversity, promotion of sustainable use of biological resources, and generation of benefits from the transfer of genetic resources across borders. The RAF prioritizes countries for funding based on indexes constructed using data on species and types of ecosystem present and the endangered/threatened status of terrestrial species and ecoregions. Other GEF Biodiversity Program concerns like the promotion of sustainable use of biological resources and the generation of benefits from the transfer of genetic resources across borders are not taken into account in any explicit way in the RAF. Further, there may not be a clear relationship between the information used to construct the GBI_{BIO} (and thus guide funding allocations) and the expected benefits of specific proposed projects for biodiversity conservation, sustainable use promotion, or generation of benefits from the transfer of genetic resources across borders.

Participants were asked to respond to a total of 10 questions dealing with the feasibility and desirability of giving explicit weight to concerns other than biodiversity conservation; the extent to which the RAF produced indicative allocations that were biased in favor of one or more concerns at the expense of others; and the relevance of the information used to construct the GBI_{BIO} for determining the benefits of specific biodiversity project proposals.

- **There was moderate support for the view that there exist comprehensive, reliable data not used in the GBI_{BIO} that would give a more accurate depiction of potential for biodiversity conservation**, promotion of sustainable use, and/or transfer of genetic resources across borders. The average response to

this question was 5.6 with a standard deviation of 2.6; the median was 6.0. Specific suggestions made in the comments included the use of agricultural biodiversity data from the CGIAR Biodiversity International institute in Rome and trade data from CITES.

- **There was moderate support for the view that the GBI_{BIO} should be amended to give greater weight to agrobiodiversity**. The average response to this question was 6.1 with a standard deviation of 2.6; the median was 6.0. Comments of those indicating agreement cited high potential benefits. Those disagreeing cited the similarity of agroecosystems worldwide, distortions in data, and disadvantaging of countries with high biodiversity but little agriculture.

- **There was no consensus as to whether the GBI_{BIO} should be amended to give greater weight to biosafety**. The average response to this question was 4.4 with a standard deviation of 3.2; the median was 4.0. The comments of those agreeing cited the growing importance of the spread of diseases and genetically modified organisms in the context of biodiversity preservation. The comments of those indicating disagreement indicated a belief that biosafety is separate from biodiversity and that it should be dealt with at the national rather than international level.

- **There was no consensus as to whether the GBI_{BIO} should be amended to give greater weight to megadiversity countries or countries with biodiversity "hot spots."** The average response to this question was 4.3 with a standard deviation of 3.0; the median was 4.0. Some participants expressed the view that such countries deserve greater attention; others expressed the view that a focus on such countries has led to neglect of important ecosystems.

- **There was strong support for the view that the list of countries qualifying for individual funding was somewhat biased toward one of the goals of the GEF—conservation—at the expense of sustainable use of biological resources and benefits from transferring genetic resources across borders.** The average response to the question about the extent to which the list of countries qualified for individual funding was biased toward one goal at the expense of others was 6.7 with a standard deviation of 2.3; the median was 7.0. Most of the comments explicitly noted a bias toward conservation in the methodology as well as the list of countries.

- **Most participants expressed the view that the list's emphasis on conservation was about right; there was some support for the view that emphases on sustainable use of biological resources is too low and stronger support for the view that the list's emphasis on transfer of genetic resources across borders is too low.** Responses to these questions were coded on a scale in which 10 indicated too great, 1 too little, and 5 about right. The average response for the question about the list's emphasis on conservation was 5.6 with a standard deviation of 2.3; the median was 5.0. The average response to the question about

the list's emphasis on sustainable use of biological resources was 4.0 with a standard deviation of 1.9; the median was 4.0. The average response to the question about the list's emphasis on transfer of genetic resources across borders was 3.9 with a standard deviation of 2.8; the median was 3.0.

Previous evaluations of the GEF Biodiversity Program have noted that preparation of specific project proposals requires a great deal of time and effort on the part of applicants and lengthy screening on the part of the GEF. Participants were asked about the extent to which using the information contained in a country's GBI_{BIO} to choose among specific biodiversity project proposals might help reduce the time and effort required for preparation of project proposals and for making funding decisions.

- **Participants were split on whether the information contained in a country's GBI_{BIO} is relevant for guiding the selection of specific biodiversity projects and that it should be used to choose among specific biodiversity project proposals.** The average response to this question was 4.7 with a standard deviation of 1.8; the median was 5.0.

- **There was moderate opposition to the view that using the information contained in the GBI_{BIO} would reduce the time and effort required for preparing proposals and making funding decisions**. The average response to this question was 4.3 with a standard deviation of 2.3; the median 4.0.

- **There was moderate opposition to the view that the information contained in a country's GBI_{BIO} should be used to choose among specific biodiversity projects.** The average response to this question was 4.1 with a standard deviation of 1.5; the median was 5.0. None of the participants gave a numerical response higher than 6.

4.3.4 Adequacy of Performance Measures Used in Determining Country Allocation Scores for Biodiversity

The RAF uses the Global Performance Index (GPI) to measure likely performance. The GPI is composed of general measures of country-level performance and does not measure a country's demonstrated performance in providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures specifically. Specific indicators of likely cost-effectiveness and sustainability of biodiversity projects are not used. The RAF also makes no provision for the potential for private sector involvement in biodiversity conservation and/or sustainable use of biological resources, an omission of potential importance since projects with private sector involvement may be more cost-effective and/or have greater long-term viability. As a result, the RAF may not be adequate to assess the likely cost-effectiveness and sustainability of biodiversity conservation and sustainable use efforts.

Participants were asked about the desirability of including information about the costs of conserving biodiversity and/or delivering more sustainable use of biological resources; the existence of reliable data about those costs; and the degree to which taking cost into account would result in greater conservation of biodiversity and/or sustainable use of biological resources. Responses from participants support the inclusion of information about cost, sustainability, and private sector involvement in the RAF and a belief that doing so would be somewhat beneficial, although the degree to which reliable information exists for doing so is not clear.

- **There was strong support for the view that the costs of biodiversity conservation and/or sustainable use should be taken into account.** The average response to this question was 6.8 with a standard deviation of 2.6; the median was 7.0. Additionally, the comments of several of the participants giving low numerical responses stated that including consideration of cost would create a bias against countries managing biodiversity efficiently and countries with high biodiversity but also high costs, suggesting a lack of understanding of the concept of cost effectiveness.

- **There was little support for the view that there are reliable, comprehensive data that would allow incorporation of cost**. The average response to this question was 4.5 with a standard deviation of 2.3; the median was 5.0. Comments indicated a general agreement about the lack of a reliable global database of conservation costs but noted that the methods for evaluating costs and benefits are well established and could be incorporated into the approval process. Other comments cited recent meta-analyses and papers by Bode, Balmford, and Naidoo as sources of cost and cost effectiveness information.

- **There was moderate-to-strong support for the view that taking cost into account would result in greater conservation of biodiversity and/or sustainable use of biological resources.** Responses to this question were coded on a scale in which 10 indicated substantially more, 1 substantially less, and 5 about the same. The average response was 6.6 with a standard deviation of 2.5; the median was 7.0.

- **There was moderate support for the view that the RAF gives insufficient weight to a country's ability to maintain proposed biodiversity conservation**, **sustainable use delivery, or implementation of biosafety safeguards.** Responses to this question were coded on a scale in which 10 indicated too much emphasis, 1 too little, and 5 about right. The average response was 4.3 with a standard deviation of 2.1; the median was 4.0.

- **There was no clear consensus among participants on the issue of whether the RAF should be amended to take into account private sector involvement**. The average numerical response to this question was 5.6 with a standard deviation of 3.1; the median was 5.0. Responses were distributed fairly uniformly from 1 to 9, however. The comments indicated that the private sector should be viewed

broadly and include individual households (whose response to conservation projects influences the effectiveness of those projects) as well as businesses. Other comments cited the potential for leveraging GEF funds with private sector investment.

The RAF currently limits disbursement of funds such that no more than half a country's allocation can be disbursed within the first two years. Participants were asked about the extent to which this limitation influences the cost-effectiveness and longer term sustainability of biodiversity conservation/sustainable use projects.

- **The consensus was that this limitation had some but not great influence on either cost-effectiveness or sustainability.** The average numerical response to the question about cost-effectiveness was 4.8 with a standard deviation of 1.1; the median was 5.0. Several comments suggested that any effects would likely be limited to countries with small allocations where the limitation might make projects infeasible. The average response to the question about sustainability was 5.3 with a standard deviation of 1.3; the median was 5.0.

4.3.5 Transparency and Fairness of the RAF

Participants were asked whether the RAF indicative funding allocation process was transparent and whether it resulted in a fair and reasonable allocation of funding. Regarding fairness, participants were asked about the extent to which the RAF results in too great a concentration of funding and the extent to which a more equal distribution would result in greater biodiversity conservation and/or sustainable use of biological resources. They were also asked whether there were countries eligible for individual funding that should not be and, conversely, whether there were countries not eligible for individual funding that should be.

- **There was some support for the view that the formulas used to calculate the RAF biodiversity score makes it difficult to understand how indicative funding allocations are arrived at.** The scale was 1 to 10, with 10 indicating strong agreement, 1 strong disagreement, and 5 neutral. The average response to this question was 6.3 with a standard deviation of 2.8; the median was 7.0.

- **There was moderate support for the view that the RAF results in too large a share of funding allocated to too few countries**. Responses were coded on a scale of 1 to 10, with 10 indicating far too much concentration, 1 far too little, and 5 about right. The average response was 7.0 with a standard deviation of 2.4; the median was 8.0. Comments cited the inability of some countries with large allocations to manage and maintain biodiversity projects.

- **There was no consensus on the proposition that a more equal distribution of GEF biodiversity funds would result in greater biodiversity conservation and/or sustainable use of biological resources.** Responses to this question were

coded on a scale of 1 to 10, with 10 indicating substantially more, 1 substantially less, and 5 about the same. The average was 5.9, with a standard deviation of 3.0; the median was 7.0.

Participants were asked about the extent to which there are countries qualified for individual funding that should not qualify for funding individually and, conversely, the extent to which there are countries that qualify only for funding as part of regional projects that should qualify for funding individually. The response rates for these questions were much lower than for any of the preceding questions: only 10 participants responded.

- **Among the few that responded to this question, there was modest support for the view was that there were few, if any countries qualifying for individual funding that should not:** The average numerical response to this question was 3.2 with a standard deviation of 2.9; the median was 2.0.

- **At the same time, there was modest support for the view among these few participants was that there are some countries not qualifying for individual funding that should qualify individually**. The average numerical response to this question was 5.9 with a standard deviation of 1.5; the median was 6.0. All of the participants responding to this question gave numerical responses of 4 or more.

4.3.6 Desirability of Using Indicative Allocations

The RAF implements a system of indicative funding allocations in which individual countries' potential GEF biodiversity project funding is determined by their RAF biodiversity overall country scores. This system of using indicative allocations to guide funding decisions may remove competitive pressures among nations to secure GEF funding. Possible adverse results include (1) reductions in the quality of the proposals submitted in terms of potential to provide global environmental benefits and cost effectiveness, and (2) limits on the ability of the GEF-Secretariat to produce coherent funding portfolios. Participants were asked about the extent to which using indicative allocations to guide funding decisions influences the quality of biodiversity proposals and the coherence of GEF biodiversity funding portfolios. Responses were coded on a scale of 1 to 10, with 10 indicating significant positive effects, 1 significant negative effects, and 5 no effect.

- **There was strong support for the view that using indicative allocations to guide funding decisions has no effect on the quality of proposals.** The average response to this question was 4.0 with a standard deviation of 2.1; the median was 5.0. Comments of those citing significant negative effects argued that countries with individual indicative allocations viewed them as entitlements and thus took less care in selecting and preparing proposals; they also cited crowding out of NGO/civil society proposals due to caps on funding. Comments

of those citing significant positive effects argued that indicative allocations allowed countries to plan better and gave them more leverage to negotiate.

- **There was no consensus about the extent to which using indicative allocations to guide funding decisions influences the coherence of GEF biodiversity funding portfolios**. The average numerical response to this question was 5.1 with a standard deviation of 2.6; the median was 5.0. Responses were distributed fairly uniformly between 1 and 9, however.

4.4 Further Information

As previously indicated, participants in this Delphi exercise for the GBI_{BIO} were asked to respond to 30 questions. They were also advised to answer only those questions they were comfortable in answering in light of their own background and expertise. One question asked for an open-ended response for ideas about desirable changes in the way that the GEF allocates biodiversity funds. Another was omitted from the analysis because of ambiguities created by the formatting adopted by Real Time Delphi.

Exhibit 1: GEF Biodiversity Delphi: Participant Scores lists the 28 questions used in the preceding analysis and shows the, standard deviation, median, and number of responses for each of those questions. *Appendix D* provides histograms of the responses. Participants were also urged to provide narrative reasons and comments to support their numerical responses. *Appendix E* provides a summary of these comments.

Exhibit 1: GEF Biodiversity Delphi: Participant Scores

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
	Concern 1: The data used in the RAF GBI_{BIO} are not comprehensive and the taxa covered by the RAF GBI_{BIO} may miss important aspects of biodiversity.				
1.1	To what extent should the RAF be expanded to incorporate terrestrial invertebrates?	32	6.3	6.0	3.2
1.2	To what extent should the RAF be expanded to incorporate marine invertebrates?	34	8.2	8.5	2.1
1.3	To what extent should the RAF be amended to give extra weight for agrobiodiversity?	30	6.1	6.0	2.9
1.4	To what extent should the RAF be amended to give extra weight for biosafety threats?	27	4.4	4.0	3.2
…					
	Concern 2: The current RAF may not rely on the best available data.				
2.1	To what extent does the RAF use the most comprehensive and reliable data available for mammals, amphibians, birds, freshwater and marine fish, and their habitats and endangered/threatened status of the world's terrestrial species and ecoregions?	26	7.3	8.0	2.5
2.2	To what extent are there data which the GEF GBI_{BIO} does not use and that give a more accurate depiction of potential for biodiversity conservation, promotion of sustainable use, and/or generation of benefits from the transfer of genetic resources across borders and are also as comprehensive and reliable as those currently used in the GEF RAF GBI_{BIO}?	19	5.7	6.0	2.6
…2.4	To what extent do there exist reliable, comprehensive data that would allow consideration of threatened/endangered status of marine species in the same manner as terrestrial/freshwater species?	18	4.8	5.0	2.2

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
2.4	If you believe such data is available, should the RAF GBI_{BIO} take endangered/threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity?[1]	20	2.0	2.0	1.0
2.5	To what extent do there exist reliable, comprehensive data that would allow categorization of ecosystem types and their threatened/endangered in the same manner as terrestrial ones?	16	6.3	5.0	2.5
2.6	If you believe such data is available, should the RAF GBI_{BIO} take marine ecosystem type and endangered/threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity?[2]	17	1.9	2.0	0.9
	Concern 3: The goals of the GEF Biodiversity Program are conservation of biodiversity, promotion of sustainable use of biological resources, and generation of benefits from the transfer of genetic resources across borders. The current RAF may not accurately reflect countries' potential in these three areas.	**Number of Responses**	**Average**	**Median**	**Standard Deviation**
3.1	To what extent is the list of countries qualified for individual funding biased toward one or two of these three goals at the expense of others?	22	6.7	7.0	2.3
3.2	The list reflects an emphasis on conservation that is (10 = much too high, 5 = about right, 1 = much too low).	20	5.6	5.0	2.3
3.3	The list reflects an emphasis on sustainable use of biological resources that is (10 = much too high, 5 = about right, 1 = much too low)	18	4.0	4.0	1.9
3.4	The list reflects an emphasis on benefits from transferring genetic resources is (10 = much too high, 5 = about right, 1 = much too low)	16	3.9	2.0	2.8
3.5	To what extent should the RAF be amended to give extra weight to megadiversity countries and/or countries with biodiversity "hot spots"? (10=to the maximum extent,1=no change recommended)		4.3	4.0	3.0
3.6	To what extent are there countries that qualify only for funding as part of regional projects that you believe should qualify for funding individually?	10	5.9	6.0	1.4

[1] Responses greater than 2 coded as 2.
[2] Ibid.

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
3.6.a	To what extent are there countries qualified for individual funding that you believe should not qualify for funding individually?	10	3.2	2.0	2.9
	Concern 4: The current RAF GBI_{BIO} favors terrestrial/freshwater over marine biodiversity resources. Furthermore, the ways in which terrestrial and marine biodiversity funding priorities are calculated are not comparable to each other.	**Number of Responses**	**Average**	**Median**	**Standard Deviation**
4.1	The current RAF gives a country's terrestrial biodiversity score four times as much weight as its marine biodiversity score (i.e., the terrestrial score counts for 80% of each country's biodiversity benefits index while the marine score counts of 20%). To what extent is this weighting appropriate?	22	6.3	6.5	2.8
	Concern 5: Reliance on the Performance Index (GPI) to assess the likelihood of proper project management (and thus cost-effectiveness and sustainability of projects generally) may not be adequate to assess the likely cost-effectiveness and sustainability of biodiversity conservation and sustainable use efforts specifically.				
5.1	To what extent should the RAF take into account costs of conserving biodiversity and/or delivering more sustainable use of biological resources?	21	6.8	7.0	2.6
5.2	To what extent do there exist reliable comprehensive data or a project approval process that would allow incorporation of cost into the RAF?	16	4.5	5.0	2.3
5.3	To what extent would taking cost into account in the RAF result in greater biodiversity conservation and/or sustainable use of biological resources?	21	6.6	7.0	2.5
5.4	To what extent does the current RAF give sufficient weight to a country's ability to maintain proposed biodiversity conservation, sustainable use delivery, or implementation of biosafety safeguards?	16	4.3	4.0	2.1
5.5	To what extent should the RAF be amended to take potential private sector involvement into account?	17	5.6	5.0	3.1

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
5.6	To what extent should the RAF be amended to take into account a country's demonstrated performance in providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures?	11	4.1	2.5	3.7
5.7	To what extent does the limitation on disbursement of GEF funds influence the cost-effectiveness of biodiversity conservation/sustainable use projects?	12	4.8	5.0	1.1
5.8	To what extent does the limitation on disbursement of GEF funds influence the longer term sustainability of biodiversity conservation/sustainable use projects?	11	5.3	5.0	1.3
	Concern 6: Using indicative allocations to guide funding decisions may remove competitive pressures among nations to secure GEF funding thus (1) reducing the quality of the proposals submitted in terms of potential to provide global environmental benefits and in terms of cost effectiveness and (2) preventing the GEF-Secretariat from producing coherent funding portfolios.	**Number of Responses**	**Average**	**Median**	**Standard Deviation**
6.1	To what extent do you believe that using indicative allocations to guide funding decisions influences the quality of biodiversity proposals?	15	4.0	5.0	2.1
6.2	To what extent do you believe that using indicative allocations to guide funding decisions influences the coherence of GEF biodiversity funding portfolios?	14	5.1	5.0	2.6
	Concern 7: The RAF may not be sufficiently transparent.				
7.1	To what extent do the formulas used to calculate the RAF biodiversity score make it difficult to understand how indicative funding allocations are arrived at?	15	6.3	7.0	2.8
	Concern 8: The RAF may not produce indicative funding allocations that are sufficiently equitable.				

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
8.1	To what extent does the current RAF result in too great a concentration of funding (too large a share allocated to too few countries)?	14	7.0	8.0	2.4
8.2	To what extent would a more equal distribution of GEF biodiversity funding result in greater biodiversity conservation and/or sustainable use of biological resources?	15	5.9	7.0	3.5

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	Concern 9: The information used to guide funding allocations may not be relevant for guiding selection of specific projects for biodiversity conservation, sustainable use promotion, or generation of benefits from the transfer of genetic resources across borders.	**Number of Responses**	**Average**	**Median**	**Standard Deviation**
9.1	How relevant is the information contained in a country's GBI_{BIO} for guiding the selection of specific biodiversity projects?	15	4.7	5.0	1.8
9.2	To what extent should the information contained in a country's GBI_{BIO} be used to choose among specific biodiversity project proposals?	18	4.1	5.0	1.5
9.3	To what extent would using the information contained in a country's GBI_{BIO} to choose among specific biodiversity project proposals help reduce the time and effort required for preparation of project proposals and for making funding decisions?	16	4.3	4.0	2.3

5. Climate Change

5.1 GEF Benefits Index for Climate Change (GBI_{CC})

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change. Each of these two focal areas has approximately US$1 billion to allocate among recipient countries for four years of project activity. The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and potential) through a GEF Benefits Index (GBI), and readiness (demonstrated by portfolio performance and policy/institutional performance) through a GEF Performance Index (GPI).

As the financial mechanism for the United Nations Framework Convention on Climate Change (UNFCCC), the GEF's climate change objectives are based on the guidance of the UNFCCC. It seeks to stabilize atmospheric greenhouse gas concentrations at levels that will prevent dangerous anthropogenic interference with the global climate system. The Convention calls upon countries to take actions to stabilize the climate in keeping with the principle of "common but differentiated responsibilities."

As the entity entrusted with operating the financial mechanism of the UNFCCC, the GEF provides new and additional grant and concessional funding to developing countries and countries with economies in transition to achieve global environmental benefits in climate change. The GEF has supported limited activities to sequester carbon, but the goal of sequestering terrestrial carbon is largely a secondary benefit of projects in the biodiversity or land degradation focal areas.[3]

The GBI_{CC} attempts to use the best comprehensive, reliable scientific information available to measure each country's potential contribution to the goals of the Climate Change Program. It is constructed from two indicators: (i) baseline GHG emissions for the year 2000 in tons of carbon equivalent; and (ii) Carbon Intensity Adjustment Factor computed as the ratio of the carbon intensity in 1990 to the carbon intensity in 2000.

GBIcc = Baseline GHG Emissions2000 x [Carbon Intensity1990 / Carbon Intensity2000]

[3] GHG emissions from land use are less certain than GHG emissions from fossil fuel combustion. The World Resources Institute estimates that land use changes accounts for approximately 30 percent of total worldwide GHG emissions. See Climate Analysis Indicators Tool of the World Resources Institute. (cait.wri.org)

Baseline GHG emission levels provide a broad measure of the scale of the mitigation potential of a country, while avoiding perverse incentives that result from using current level emissions. To ensure the widest coverage among countries, the year 2000 is used as the base year. The inclusion of baseline GHG emission levels in the GBI results in a larger GEF Benefits Index for larger emitters. The GEF gives two reasons for using GHG emission levels. First, in general, countries with larger emissions have lower abatement costs, which increase less rapidly with abatement than those in countries with smaller emissions. Second, projects are likely to have greater demonstration and learning effects in high emitting countries than in countries with smaller levels of emissions, and thus potentially broader impact.

The carbon intensity of a country measures the tons of carbon equivalent emitted by a country per unit of economic activity (GDP). It changes over time because of (i) increased carbon efficiency brought about by changes in fuels or technology or economic growth; and (ii) structural shifts in the economy away from carbon intensive activities. The GEF cites two reasons for using change in carbon intensity. First, reducing emissions will be less costly in countries that have already demonstrated willingness and/or ability to reduce carbon intensity. Second, it rewards countries that have reduced their carbon intensity levels.

National communications to the UNFCCC provide information on GHG emissions inventories. At present, their coverage is still too limited to cover all of the countries eligible for GEF support in a consistent manner.[4] The RAF paper argues that because they appear to be more comprehensive and comparable, standardized carbon emissions data available from the Climate Analysis Indicators Tool (CAIT) unit of the World Resources Institute are used in the calculation of the GEF Benefits Index.[5] The RAF paper also mentions that comparisons of the CAIT data with the corresponding data reported by countries in their national communications to the UNFCCC seem to show a high degree of correlation between the two datasets.

Only carbon emissions from fossil fuel combustion and cement and the emission of other GHG gases are included in the baseline GHG emissions. Specifically, GHG emissions associated with land use changes have not been included in the baseline figures. The distribution is concentrated, with 30 countries accounting for 85 percent of total GHG emissions, while the remaining 137 countries account for the remaining 15 percent of total GHG emissions.

[4] According to the approved RAF paper, "out of the 160 countries eligible for GEF support, only about 100 countries have provided national communications to the UNFCCC with details of the GHG inventory for a base year. While most of the initial national communications have been for the year 1994, a number of countries have reported their inventories for a different base year. The second national communications (SNC) should provide a more consistent basis for emissions data than did the first. However, this data will not be available for several years. In the future, information taken from inventories found in national communications may be used to generate the global benefits index for climate change".

[5] Additional information on the World Resource Institute's CAIT tool can be found at cait.wri.org.

The distribution of the GEF Benefits Index for Climate Change, which includes the change in carbon intensity, is shown in *Table 1*. This distribution is quite similar to the distribution of baseline GHG emissions.

Table 1: Distribution of Carbon Intensity Adjustment Factor

Carbon Intensity Adjustment Factor	No. of Countries
Greater than 2	4
1.25 to 2	35
1.1 to 1.25	21
1.0 to 1.1	39
0.9 to 1.0	18
0.75 to 0.9	12
0.5 to 0.75	9
Not available	22

Source: GEF, RAF Document GEF/C.27/Inf.8/Rev.1

Calculation of Indicative Allocations

GEF resources are allocated to member countries in proportion to their "allocation number." This number is calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI):

$$\textbf{Allocation Number} = \textbf{GBI}^{0.8} \times \textbf{GPI}^{1.0}$$

5.2 About This Delphi

The GBI_{CC} Delphi exercise was conducted from July 3, 2008 through August 10, 2008. This Delphi was designed to provide an assessment of the GBI_{CC} and RAF, specifically, the extent to which the GBI_{CC} reflects the best available scientific data and knowledge, and the extent to which the RAF is designed to maximize global environmental benefits in the area of climate change. The exercise was also designed to elicit views on what, if any, recent developments should be considered for potential changes in the GBI_{CC} and RAF. Specific questions designed to elicit the views of participants on these overarching questions fall into eight areas of concern identified during review of Global Environment Facility (GEF) documents on the RAF and clarified through interaction with GEF staff and the GBI_{CC} expert panel:

1. Whether the GBI_{CC} reflects best available scientific data and knowledge;
2. Transparency and/or equity of the RAF indices and formula;
3. Appropriateness of the RAF in producing scores that reflect countries relative status in terms of climate change and performance;
4. The extent to which the RAF can maximize global climate change benefits;

5. The balance in funding for adaptation and mitigation ;
6. Recent developments that should be considered for potential changes to the RAF or the way it is implemented;
7. Improving climate change data sources;
8. The relevance of using certain RAF data to guide selection of specific climate change projects.

Based on these concerns, Delphi participants were asked to respond to 39 questions covering a range of general and specific topics identified with the help of the GBI_{CC} expert panel. More than 400 individuals with general background in climate change, adaptation, mitigation and/or specific background in the GBI_{CC} were invited to participate in the GBI_{CC} Delphi exercise.

It was hoped and anticipated that 60 individuals would choose to participate in the exercise. As noted above, significant effort was made to encourage participation through a variety of approaches including deadline extensions, reminder emails and personal contacts.

In the final analysis, 55 individuals chose to participate. Participants could see the responses of other participants as they initially completed the protocol and we could see evidence in the comments that the views of at least some participants were influenced by seeing the views of their colleagues.

GEF RAF Climate Change Delphi: Key Figures	
Distinct participants with unique email addresses, names, regions, and employment used with Biodiversity	55
Total number of numerical questions answered	1,591
Average number of questions answered per participant	28.9
The maximum number of answers to any question	53
The minimum number of answers to any question	0

Participants represented a good cross-section of regional and institutional affiliations. In institutional terms, 14 participants are from universities, 13 from international organizations, 12 from government agencies, 5 from the private sector, 4 from NGOs, 4 are consultants and 3 registered as "Other." In regional terms, 25 of the participants are from Europe, 11 are from North America, 7 are from Southeast Asia, 4 are from Latin America, 4 from Sub Sahara Africa, 2 are from Pacific Asia, and 1 each from the Middle East and North Africa.

In terms of fields of expertise, 15 indicate economist as their primary expertise, 11 note "Other," 8 are physical scientists, 8 are climate scientists, 6 indicate environmentalist, and 3 indicate social scientist. There was some crossover in the disciplines but we only note the primary response provided. (The background of the remaining participant is unknown.)

Figure 6:

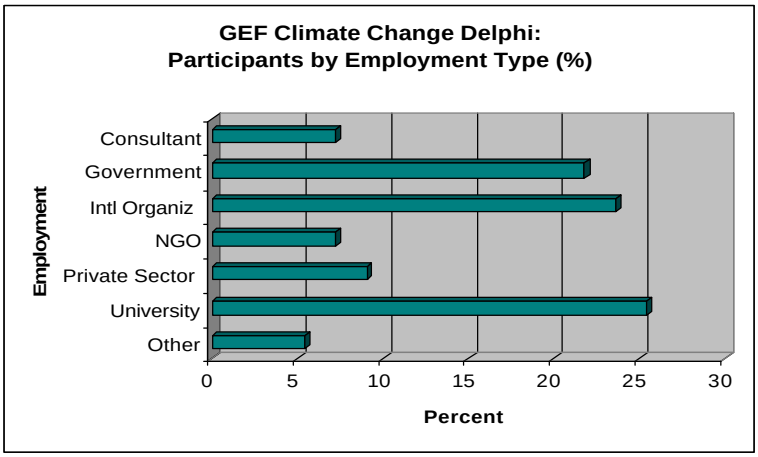
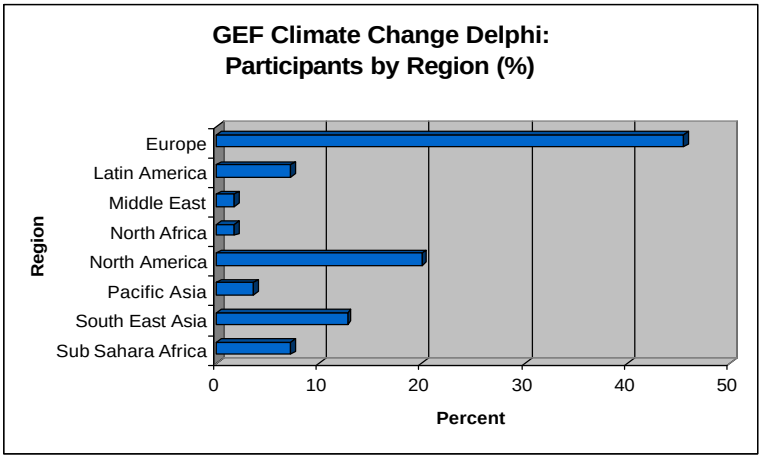


Figure 7:



5.3 Summary of Results

The following summary of the GBI_{CC} Delphi exercise results is focused on the eight general areas of concern indicated above. Within each concern are those questions where participant responses indicated a need for further discussion. Subsequent sections of this report provide more details of the participants' numerical responses and comments.

5.3.1 Extent to Which GBI_{CC} Best Reflects Available Scientific Data and Knowledge

Participants were asked to respond to a total of 17 questions addressing whether the GBI_{CC} reflects the best available scientific data and knowledge.

Participants found that the formula used to measure GBI_{CC} made moderately good sense. **They supported the propositions that the last available year would be the best**

measure of GHG emissions and that the most useful indicator to measure country mitigation potential was either per capita GHG emissions or energy intensity.

Participants were also generally supportive of the notions that energy intensity was reasonably strongly related to good policies, structural economic changes and energy efficiency measures. The representation of sources of GHGs in indices and the representation of gases in indices were considered to be adequate or favorable by about half of all participants.

Specific findings included:

- **Participants support using the last available year as the most accurate measure of GHG emissions for GBIcc.** The average response in support of using the last available year, with a response of 1 representing 2000, 2 indicating a preference for 1999, and 3 the last available year, was 2.56 with a standard deviation of 1.3; the median was 3.

- **Most participants were neutral or uncertain about the ANNUAL GHG emissions being used as a broad indicator of country mitigation potential.** The average response to this question was 5.25, with a standard deviation of 2; the median was 5.

- **Participants indicated moderate support for the conclusion that that the use of Per Capita GHG emissions was a useful indicator of countries mitigation potential.** The average response to this question was 6.58 with a standard deviation of 2.5; the median was 7.

- **There was no clear opinion among the participants about the appropriateness of using historical cumulative emissions as a useful indicator of a country's mitigation potential**. The average response to this question was 5.75, with a standard deviation of 2.8; the median was 6.

- **There was no clear overall opinion among the participants as to whether the use of per capita national income or GDP is a useful indicator of a country's mitigation potential.** The average response to this question was 5.85, with a standard deviation of 2.5; the median was 5.

- The general response among the participants was that **the use of energy intensity was a moderately useful indicator of a country's mitigation potential.** The average response to this question was 6.34, with a standard deviation of 2.3; the median was 7.

- Participants agreed that the ratio of years 1990 to 2000 would provide the best measure of country improvement (or worsening) in energy intensity. For this

question, participants were asked to respond with a 2 if they agreed with the proposition and with a one if they disagreed.

- **Participants tended to view energy intensity as at least moderately related to good policies.** The average response to this question was 6.74 with a standard deviation of 2.7; the median was 7.

- **Participants agreed that energy intensity is moderately related to structural economic change.** The average response to this question was 7.14 with a standard deviation is 2.3; the median was 8.

- **No clear consensus was reached on whether** energy intensity is strongly related to sudden crises,. The average response to this question was 4.81 with a standard deviation of 2.3; the median was 5.

- **Participants believe that only a moderate relationship exists between energy intensity and renewable energy use.** The average response to this question was 4.77 with a standard deviation of 2.8; the median was 5.

- **Participants generally found the relationship between energy intensity and energy efficiency measures to be strong.** The average response to this question was 7.45 with a standard deviation of 1.8; the median was 8.

- Participants believed that representation of sources of GHGs (e.g., fossil fuel use and cement production) in the indices is adequate to a limited extent. The average response to this question was 5.17, with a standard deviation of 2.5; the median was 5. For this question, an answer of 5 indicated support for the proposition that the representation of these sources is adequate to a limited extent.

- **The representation of gases in the indices was seen as moderately adequate.** The average response to this question was 6.03 with a standard deviation of 2.5; the median was 6.5.

- Efforts in CDM and carbon trading for the climate change index were not considered very relevant by participants. The average response to this question was 3.73 with a standard deviation of 2.4; the median was 3.

- Participants did not know of any further guidance from UNFCCC/IPCC that should be reflected in the climate change indices. The average response to this question was 6.13 with a standard deviation of 2.4; the median was 5.

5.3.2 Transparency/Equity of RAF Indices and Formula

Participants were neutral as to whether the RAF indices and formula are too complex and lacking in transparency. Participants did believe that too much of the funding for climate change was allocated to too few countries. Commenters noted that a more balanced

distribution of GEF climate change funding would result in greater mitigation of GHG emissions.

Specific findings include:

- Participants were undecided as to whether **the current RAF climate change score is too complex to make funding allocations transparent**. The average response to this question was 5.79 with a standard deviation of 2.5; the median was 5.

- **The consensus is that there is too great a concentration of funding for climate change allocated to too few countries.** The average response to this question was 7.09 with a standard deviation of 1.9; the median was 7.5.

- There was moderate support for the belief that **there would be substantially greater GHG emissions mitigation if there was a more balanced distribution of GEF climate change funding.** The average response to this question was 6.5 with a standard deviation of 2.1; the median was 7.

- **Participants generally believe that current ceilings on climate change funding for pool countries are about right.** The average response to this question was 4.36 with a standard deviation of 2.7; the median was 4.5.

5.3.3 Reflection of RAF Scores on Countries Relative Status in Terms of Climate Change and Performance?

Participants considered the exponents used to weigh GBI and GPI were about right and they also found that the comparative scoring for countries in the RAF was about right.

Participants found the scoring gives too much importance to good government policy. This type of scoring would mean that countries that are poorly governed are much less likely to receive much funding because they will have a low GPI and also a lower GBI if their energy intensity also rose significantly in the 1990s. The CEPIA measures environmental policy but that is much different from the climate change policy although here they are considered to be equivalent.

Specific findings include:

- The view of participants that the two exponents used for weighting GBI and GPI were about right was indicated by the average response of 3.93 with a standard deviation of 1.5; the median was 4.

- Support for the current comparative scoring of countries was indicated by participants. The average response of 4.14 with a standard deviation of 1.7; the median was 4.

- Participants generally did not know if there are countries that currently qualify only for funding as group countries which should qualify for funding individually. The average response to this question was 6.64 with a standard deviation of 2.1. The median was 5.

- Similarly, participants did not know if there are countries currently qualified for individual funding that should not qualify for funding individually. The average response to this question was 5.1 with a standard deviation 2.2. The median was 5.

5.3.4 Maximizing Global Climate Change Benefits Using RAF

Participants believed that the RAF does not provide adequate incentives for countries to improve their mitigation performance over time, both for individual and climate change allocation countries. However, there were participants who also indicated that the RAF provided incentives to a limited extent. Participants also believed that the RAF should provide more opportunities than those currently available, for positive interactions between climate and biodiversity work or with other focal areas.

The climate change indices were found to be inflexible when taking into account socioeconomic stability, crisis and post conflict situations, and changes in underlying indictors.

Specific findings include:

- Participants thought that **the RAF's incentives are effective only to a limited extent in providing for countries to improve their mitigation performance**. The average response to this question was 4.47 with a standard deviation of 2.2; the median was 5.

- **Participants moderately supported the idea that the RAF should provide more opportunities for interactions between climate and biodiversity work.** The average response to this question was 6.84 with a standard deviation of 2.7; the median was 7.

- **Participants were uncertain as to whether the climate change indices were flexible in terms of taking into account changes in socioeconomic stability.** The average response to this question was 4.61 (where 1 indicated they thought it was not flexible, 5 indicating they did not know and 10 indicating they thought it was flexible). The standard deviation was 2.2; the median was of 5.

- **Participants on average thought that the climate change indices were not flexible in terms of taking into account crisis and post-conflict situations.** The average response to this question was 3.83 (where 1 indicated they thought it was not flexible, 5 indicating they did not know and 10 indicating they thought it was flexible). The standard deviation was 1.9; the median was 4.

- **Participants, in general, did not know if the climate change indices were flexible or not in terms of taking into account changes in the underlying indicators.** The average response to this question was 4.83 with a standard deviation of 1.7; the median was 5. Commenters noted that the underlying indicators are relevant, but should be updated as frequently as possible. Data on emissions by all countries up to and including 2004 is available.

5.3.5 Financial Mechanism of the Convention and Providing Balance in Funding

5.3.5.1 Balancing Funds Between Mitigation and Adaptation

Participants generally support efforts to improve the balance between mitigation and adaptation. Specifically:

- Participants strongly support the proposition **that more should be done to balance funding between adaptation and mitigation in developing countries**. The average response in support of this proposition was 8.16 with a standard deviation of 2.3 and a median of 8.5.

- Participants largely agreed that **most of the funding for adaptation should go to the most vulnerable countries**, if most of the funds under the GBI_{CC} go to mitigation in larger developing countries (i.e., those with more emissions). The average response to this question was 7.08 with a standard deviation of 2.7; the median was 8.

5.3.5.2 How Vulnerability Should be Defined

In terms of defining "vulnerability," - participants were on average indifferent to what method is used—whether it is vulnerability index or principle, but they did express moderate support for categorization of vulnerable countries, e.g., LDCs, SIDS, African countries, to be used for guidance on vulnerability and funding levels. Specifically:

- Participants were fairly neutral on whether vulnerability should be defined broadly as a principle to guide funding under the RAF, or if a vulnerability index should be constructed. The average response to this question was 5.46 with a standard deviation of 3.1; the median was 5.

- Participants moderately supported the proposition that there are measures of mitigation impacts on adaptation that should be reflected in the climate change indices. On this question, the average response was 6.97 with a standard deviation of 2.3. The median response was 6.

- Participants also moderately supported the proposition that there are measures of

mitigation impacts relating to human vulnerability or social impacts that should be reflected in the climate change indices. On this question, the average response was 6.93 with a standard deviation of 2.4. The median response was 6.

5.3.6 New Developments in the Area of Climate Change That Can Be Incorporated

While the majority of participants were unaware of any other performance-based allocation systems in the climate change area, a minority of participants moderately supported the proposition that there are such systems. The average response was 6.11 with a standard deviation of 1.9; the median was 5.

One participant proposed adopting the a mechanism from the International Institute for Applied Systems Analysis present in the Interim Report IR-01-011 titled "Cap Management for LULUCF Options: An economic mechanism design to preserve the environmental and social integrity of forest related LULUCF activities under the Kyoto Protocol" of March 2001 (http://www.iiasa.ac.at/Admin/PUB/Documents/IR-01-011.pdf).

5.3.7 Ways to Improve Climate Change Data Sources

- Participants were neutral **about the use of WRI-CAIT to calculate GEF Benefit Index rather than GHG emissions inventories from National Communications**. The average response was 4.6 with a standard deviation of 2' the median was 5.

- The same neutrality was expressed **about the strength of the correlation between WRI-CAIT and GHG emission inventories**. The average response to this question was 4.5 with a standard deviation of 1.5; the median was 5.

- Participants expressed moderate support for the proposition that there are new climate change databases, indices or other information sources that should be taken into account, A few examples were given: national communications and NAPA; IEA, EIA, World Bank, and FAO; for physical climate side—the CMIP3 database at PCMDI; land use emissions from FAO's Forest Resource Assessment data, IPCC AR4 WGIII Chapter 9 Forestry chapter estimates, published papers on remote sensing estimates of deforestation and CO_2 emissions from land use; and, statistics provided by UNFCCC and UNDP Human Development Reports.

- Participants moderately agreed **that it would be possible to compile a database similar to CAIT-UNFCCC** (which includes only information from national communications of Annex I countries) and with the idea that other data should be used—e.g., annually published data of the IEA. The average response to this question was 6.87 with a standard deviation of 2.6; the median was 7. The only comment given for this question was that "not only for developed countries, perhaps a data base from UNFCCC is needed."

- According to further comments, participants in this category tend to think that it is important to look at both data. One comment read that "You may need to look at both National Communications, especially on land use data for GHG emissions, and compare to other data sources, then decide which value to use." Another stated that "comparable data sets such as those provided by WRI, IEA, or World Bank should be preferred to national communication data sets on consistency grounds, but, use of national communication data should be made to verify the accuracy of global datasets when possible".

- Almost one quarter disagreed with the idea. "WRI data has no legal basis and countries will contest it if it does not work out in their favor"; "WRI numbers are NOT subject to scientific peer-review"; and, "Priority should be given to UN-based statistics" summarized why respondents disagreed.

5.3.8 Possibility of GBI_{CC} to Guide the Selection of Projects

The opinions of participants was divided between full agreement and limited agreement on the potential of information contained in a country's GBI_{CC} to guide the selection of specific climate change projects.

- The average opinion was that it would—to a limited extent—be possible to use information in a country's GBI_{CC}, to guide the selection of specific projects. The average response to this question was 5.74 (1 being Yes; 5 being To a Limited Extent; and 10 being No). The standard deviation was 2.3; the median was 6.

5.4 Further Information

As previously indicated, participants in this Delphi exercise for the GBI_{CC} were asked to respond to 39 questions. They were also advised to answer only those questions they were comfortable in answering in light of their own background and expertise.

Exhibit 2 (see next page) lists the 30 questions used in the preceding analysis and shows the, standard deviation, median, and number of responses for each of those questions. *Appendix D* provides histograms of the responses. Participants were also urged to provide narrative reasons and comments to support their numerical responses. *Appendix E* provides a summary of participant comments.

Exhibit 2: GEF Climate Change Delphi: Participant Scores

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
	Concern 1: To what extent do the global environmental benefits indices relating to climate change reflect best available scientific data and knowledge?				
1.1	Does the GBIcc make sense to you, given that: Carbon Intensity = [GHG Emissions / GDP] and given the choice of 2000 as the emissions base year, the formula may be rewritten: GBICC = GHG Emissions1990 x [GDP2000 / GDP1990] (i.e., Does GBIcc achieve what it sets out to do, by giving larger benefits to larger emitters and rewarding countries that reduce carbon intensity? Or does the formula simply reward high economic growth between 1990 and 2000? (10=makes good sense, 5=moderately good sense, 1= makes no sense)	53	4.87	5	2.3
1.2	Which year provides the most accurate measure of scale of GHG emissions, in the above formula for GBICC? (1=2000, 2=1990; 3=last available year, 4=another year)	41	2.56	3	1.3
1.3	How appropriate is it to use ANNUAL GHG emissions as a broad indicator of country mitigation potential? (10=very useful, 5=moderately useful, 1=not useful)	53	5.25	5	2
1.4	How appropriate is it to use PER CAPITA GHG emissions? (10=very useful, 5=moderately useful, 1-not useful)	53	6.58	7	2.5
1.5	How appropriate is it to use HISTORICAL CUMULATIVE emissions? (10=very useful, 5=moderately useful, 1-not useful)	53	5.75	6	2.8
1.6	How appropriate is it to use PER CAPITA NATIONAL INCOME or GDP? (10=very useful, 5=moderately useful, 1-not useful)	48	5.85	5	2.5
1.7	How appropriate is it to use energy intensity as a measure of performance in mitigation? (10=very useful, 5=moderately useful,1=not useful)	50	6.34	7	2.3
1.8	Does the ratio of years 1990 to 2000 provide the best measure of country improvement (worsening) in energy intensity? (2=yes,1=no)	23	2.95	2	2.4
1.9 a	How is energy intensity related to good Policies (10=strong,5=moderate,1=weak)	47	6.74	7	2.7
1.9 b	How is energy intensity related to Structural economic changes (10=strong,5=moderate,1=weak)	44	7.14	8	2.3
1.9 c	How is energy intensity related to Sudden crises (10=strong,5=moderate,1=weak)	43	4.81	5	2.3

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
1.10 a	How is energy intensity related to Renewable energy use (10=strong,5=moderate,1=weak)	47	4.77	5	2.8
1.10 b	How is energy intensity related to Energy efficiency measures (10=strong,5=moderate,1=weak)	47	7.45	8	1.8
1.11	Do you think the representation of sources of GHGs (e.g., fossil fuel use and cement production) in the indices is adequate? (10=Yes, 5=To a limited extent, 1=No)	42	5.17	5	2.5
1.12	Do you think representation of gases in the indices is adequate? (10=yes, 5=to a limited extent, 1=no)	40	6.03	6.5	2.5
1.13	How relevant are efforts in CDM and carbon trading for the climate change index? (10=very, 5=moderately, 1=hardly)	45	3.73	3	2.4
1.14	Do you know of any further guidance from UNFCCC/IPCC that should be reflected in the climate change indices? 10=Yes there are, 5=Do not know, 1=There are none)	40	6.13	5	2.4
	Concern 2: Are the RAF indices and formula sufficiently transparent and/or equitable?				
2.1	In your opinion, is the current RAF climate change score too complex to make funding allocations transparent? (10 = agree strongly, 5= neutral, 1 = disagree strongly)	39	5.79	5	2.5
2.2	Does the current RAF result in too great a concentration of funding for climate change (too large a share allocated to too few countries, per attached table)? (10 = far too much concentration, 5 = about right, 1 = far too little concentration)	34	7.09	7.5	1.9
2.3	Would a more balanced distribution of GEF climate change funding result in greater mitigation of GHG emissions? (10 = substantially more, 5 = about the same, 1 = substantially less)	34	6.5	7	2.1
2.4	Are the ceilings on climate change allocations appropriate for pool countries? (10 = Very appropriate, 5 = About right, 1 = Inappropriate)	28	4.36	4.5	2.7
	Concern 3: Does the RAF produce scores for countries that appropriately reflect their relative status in terms of climate change and performance?				
3.1	In the formula: Country Score = $GBI^{0.8} \times GPI^{1.0}$; how appropriate are the two exponents 0.8 and 1.0, used for weighting GBI and GPI, respectively (i.e., could the weights be changed to provide more accurate country scores)? (10 = very appropriate, 5 = about right, 1 = inappropriate)	27	3.93	4	1.5

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
3.2	Consider two countries, one of which (A) scores twice as high in both climate change and performance as the other (B). The current RAF gives country A an overall score more than twice that of country B (specifically, $2^{1.8}$ or 3.48 times). To what extent is this comparative scoring appropriate? (10 = very appropriate, 5 = about right, 1 = inappropriate)	29	4.14	4	1.7
3.4	Are there countries that qualify only for funding as group countries that you believe should qualify for funding individually? (10 = Yes there are, 5= Do not know, 1 = There are none)	22	6.64	5	2.1
3.5	Are there countries qualified for individual funding that you believe should not qualify for funding individually? (10 = Yes there are, 5= Do not know, 1 = There are none)	21	5.1	5	2.2
	Concern 4: To what extent is the RAF designed to maximize global climate change benefits?				
4.1	Does the RAF provide adequate incentives for countries to improve their mitigation performance over time, both for individual and group climate change allocation countries?	32	4.4	5	2.2
4.2	Should the RAF provide more (or less) opportunities than now, for positive interactions between climate and biodiversity work, or with other focal areas?	32	6.84	7	2.7
	Are the climate change indices flexible in terms of taking into account:				
	(a) changes in socioeconomic stability?	28	4.61	5	2.1
4.3	(b) crisis and post-conflict situations?	29	3.83	4	1.9
	(c) changes in the underlying indicators?	29	4.83	5	1.7
	Concern 5: How might the financial mechanism of the Convention best provide balance in funding for adaptation and mitigation?				
5.1	Should more be done to balance funding between adaptation and mitigation in developing countries?	38	8.16	8.5	2.3
5.2	If most of the funds under the GBIcc go to mitigation in larger developing countries (i.e. those with more emissions), should most of the funding for adaptation go to the most vulnerable countries?	38	7.08	8	2.7
5.3	If you agree with 5.2 above, should vulnerability be defined broadly as a principle to guide funding under RAF, or should a vulnerability index be constructed?	37	5.46	5	3.1
5.4	Could categories of vulnerable countries, e.g., LDCs, SIDS, African countries, be used for guidance on vulnerability and funding levels?	34	6.29	6	2.6

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
5.5	Do you know of any measures of mitigation impacts on adaptation that should be reflected in the climate change indices (e.g., due to afforestation, biomass projects, etc.)?	29	6.97	6	2.3
5.6	Do you know of any measures of mitigation impacts relating to human vulnerability or social impacts (e.g., poverty alleviation, employment, etc.) that should be reflected in the climate change indices?	30	6.93	6	2.4
	Concern 6: What recent developments in the area of climate change, both within the GEF and elsewhere, should be taken into account in considering potential changes in the RAF or the way it is implemented?				
6.1	Do you know of any other performance-based allocation systems in the climate change area, and experience in using them, that should be taken into account?	27	6.11	5	1.9
	Concern 7: How could the climate change data sources be improved?				
7.1	Do you agree with the use of WRI-CAIT to calculate GEF Benefit Index over GHG emissions inventories from National Communications?	30	4.6	5	2
7.2	Is the correlation between WRI-CAIT and GHG emission inventories strong enough?	24	4.5	5	1.5
7.3	Do you know of any new climate change databases, indices or other information sources available that should be taken into account (e.g., in the UN, think-tanks, universities, NGOs, etc)?	29	6.66	5	2.2
7.4	Would it be possible to compile a database similar to CAIT-UNFCCC (which includes only information from national communications of Annex I countries)?	23	6.87	7	2.6
7.5	Should other data be used, e.g. annually published data of the IEA?	32	6.75	7	2.5
	Concern 8: Is the information used to guide funding allocations relevant for guiding selection of specific climate change projects?				
8.1	If the relevant information contained in a country's GBICC was used to guide the selection of specific climate change projects, would it lead to better projects?	31	5.74	6	2.3

6. Performance

6.1 GEF Performance Index (GPI)

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change. Each of these two focal areas has approximately US$1 billion to allocate among recipient countries for four years of project activity. The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and potential) through a GEF Benefits Index (GBI) and readiness (demonstrated by portfolio performance and policy/institutional performance) through a GEF Performance Index (GPI).

The GPI is composed of three indicators, as follows:

(a) Country Environmental Policy and Institutional Assessment (CEPIA), with a weight of 70 percent in GPI. This variable is the score that the country had received in the latest World Bank Country Policy and Institutional Assessment (CPIA) for the "Policies and Institutions for Environmental Sustainability" criterion.

(b) Broad Framework Indicator (BFI), sometimes called "governance," with a weight of 20 percent in GPI. The BFI is the simple average of a country's scores under five specific criteria in the World Bank's CPIA – that is, scores on the "Public Sector Management and Institutions" cluster of criteria; and

(c) Portfolio Performance Indicator (PPI). This variable has a weight of 10 percent in the GPI equally split between (a) an indicator developed from GEF project ratings contained in the annual Project Implementation Review and (b) an indicator developed from ratings by the World Bank's Independent Evaluation Group's Implementation Completion Reports for environment-related projects;

6.2 About This Delphi

The GPI Delphi exercise was conducted from June 16, 2008 through July 31, 2008. This Delphi exercise was designed to elicit the views of participants in six areas of concern which were identified during review of Global Environment Facility (GEF) documents on the RAF and clarified through interaction with the GPI expert panel. These concerns addressed:

1. The balance between the GEF Benefits Index and the GEF Performance Index in the Resource Allocation Formula;
2. The impact and advisability of exclusions, group allocations, and targeted supplements;
3. The impact and advisability of ceilings, floors and flow of funds controls;
4. The appropriateness and weight of the country policy and institutional performance components of the GPI;
5. The appropriateness and weight of the portfolio performance components of the GPI; and
6. Whether or not the GPI uses "best practices" to guide the allocation of GEF resources for biodiversity and climate change.

Based on these concerns, Delphi participants were asked to respond to 44 questions covering a range of general and specific topics identified with the help of the GPI expert panel. About 120 individuals with general background in performance measurement and/or specific background in the GPI were invited to participate in the GPI Delphi exercise.

It was hoped and anticipated that 30 individuals would choose to participate in the Exercise. Significant effort was made to encourage participation through a variety of approaches including deadline extensions, reminder emails and personal contacts. In the final analysis, 21 individuals chose to participate.

Those who did participate represented a cross section of institutional and regional representation. In institutional terms, 10 participants are employed with international organizations, 5 are private consultants, 3 are from other governmental organizations, and 3 are from universities or other types of institutions. In regional terms, 7 of the participants are from North America, 5 are from Southeast Asia, 3 are from North Africa, 2 are from Pacific Asia, and 2 are from Europe. There were also single responses from Latin America and from Sub Saharan Africa.

Figure 8:

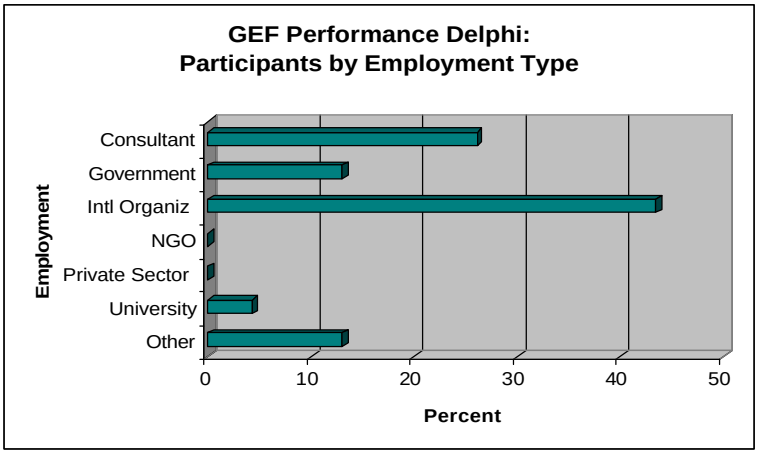
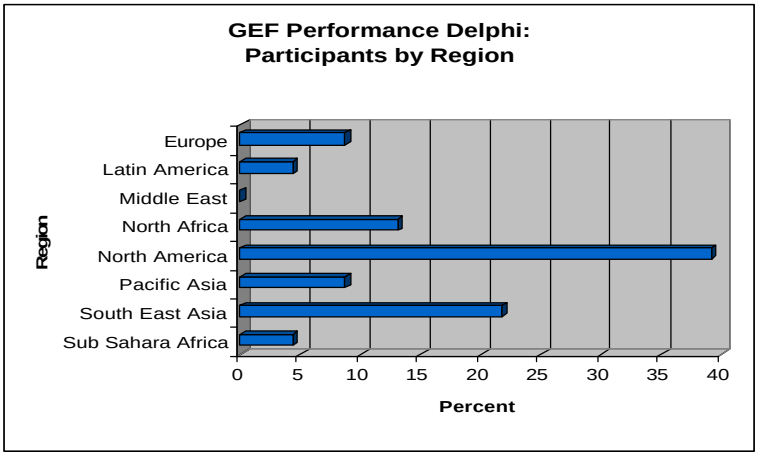


Figure 9:



6.3 Summary of Results

The following summary of the results of the GPI Delphi Exercise is focused on the six concerns indicated above which were the basis for the Delphi exercise and within each concern on those questions where participant responses indicated a need for further discussion. Subsequent sections of this report provide more detailed iterations of the participant's numerical responses and their comments.

6.3.1 The GBI-GPI Balance

The RAF accords slightly greater weight to the GPI than to the GBI. The specific formula is:

$$\textbf{Allocation Number} = GBI^{0.8} \times GPI^{1.0}$$

Participants were asked to what extent they believed these relative weights to be appropriate. **Participants support the current balance of the GBI and GPI.** On the scale of 1 to 10, the average response to this question was 6.25 and the standard deviation was 1.4. The median was 6.0. Of 16 responses, 14 gave numerical responses of 5 or above thus indicating support for the current balance.

In their comments on this matter, participants recognized that decisions about the weights of the two indices are fundamentally judgment calls. The majority of those who chose to comment agreed that performance should be weighted more heavily than potential. One commenter did note that in the absence of any science to support the weights, it might be appropriate to use a neutral formula giving equal weight to potential benefits and performance.

6.3.2 Impact of Exclusions, the Group Allocation and Targeted Supplements

Up to 25 percent of the resources in each focal area may be used for exclusions, the group allocation and targeted supplements. These resources are not allocated through the RAF but are used for:

- Exclusions which total 10 percent and include 5 percent for global and regional projects and 5 percent for use for a small grants program and cross cutting capacity building programs.

- A group allocation which is made to the remaining countries after country specific allocations are made to the highest ranked countries whose cumulative adjusted allocations equal 75 percent of the total resources in each focal area. Countries in the group have collective access to a pool of resources for each focal area.

- A targeted supplement which is made to each country whose preliminary indicative allocation is less than $1 million so that the country will have a minimum adjusted indicative allocation of $1 million.

Participants were asked four questions relative to these matters. The questions were designed to elicit participants' opinions about the overall advisability of this process and to ask for specific judgments about the purposes for which the resources are used. **Participant responses did not indicate a consensus on the advisability of exclusions, the group allocation and targeted supplements.** The average response was 4.47 with a relatively high 2.4 standard deviation. The median was 5.0. In their comments, several of the participants expressed their view that as much money as possible should be put through the formula. Some participants also noted these processes are complicated and difficult to understand.

On the other hand, a number of participants expressed the view that the GEF has multiple objectives for these programs, and that not all of those objectives are met by the RAF.

Such participants supported the need to build capacity, deal with multi-country problems, and generally to level the playing field so everyone can compete for funding.

However, participants do support increased funding for capacity building and regional projects. The average response in support of increased funding for capacity building was 6.71 and the median was 7.5. The average response in support of increased funding for regional projects was 7.2 and the median was 7.0. As indicated above, the comments supported the need to level the playing field and to address multi-country problems.

6.3.3 Impact of Ceilings, Floors, and Flow of Funds Control

The operation of the RAF is impacted by a number of rules which establish ceilings and floors for country allocations and control the rate at which funds are available to countries. For instance, for each focal area no country is allocated more than the country ceiling for the focal area (10 percent of total resources for biodiversity and 15 percent for climate change). Commitments made to a country if it receives individual allocations during the first half of a replenishment period (typically two years) will not exceed 50 percent of the indicative allocations of the country for the entire replenishment period. A country that receives an individual allocation in the first half of the replenishment period will continue to receive an individual allocation in the second half of the replenishment period. In addition, at the mid-point of a replenishment period, the indicative country and group allocations are adjusted for the remainder of the replenishment period by applying the RAF formula with updated data to the remaining amount of the resources available for each focal area.

Participants were asked to respond to a total of five questions in this area. In addition to asking for participants' general views of the overall process, questions were asked about a number of the specific rules related to ceilings, floor, and flow of funds controls. **Participants' responses reflected a general recognition of the need for ceiling, floors and flow of funds controls**. Some participants noted the need for equity in the system without which some countries would get huge share of the funds and other countries would get virtually nothing. It was also noted that such rules are particularly important when funds are constrained.

However, the responses also reflected a belief that the system ought to be as flexible as possible. For instance:

- Participants' support for permitting countries to access 100 percent of their allocation in the first two years if needed for projects. The average numerical response in support of this proposition was 7.44 and the median was 8.0. Some participants commented that the need for funding might be more urgent in small countries and suggested that some sort of threshold be established for the early release of funds. Other participants more generally supported the proposition that

funding should be supported by project needs and not constrained by financial controls.

- Participants also support the proposition that funds should be slowed if projects are not achieving performance objectives. The average numerical response in support of this proposition was 7.31 and the median was 8.0. One commenter noted that at least some aspects of the flow of funds should be tied to performance, but another commenter urged patience in assessing the performance of projects.

- When asked the extent to which the two-year period for reallocation is sufficiently frequent, most participants responded in the affirmative. The average numerical response was 6.86 and the median was 6.5. One commenter suggested that the two-year period is too short.

6.3.4 Appropriateness and Weight of Country Policy and Institutional Performance

Within the GPI, 90 percent of the formula weight is accorded to country policy and institutional performance. This weighting arises from the view that the quality of policies and institutions (governance) is crucial to the success of GEF objectives. Within this overall 90 percent weight, 70 percent is accorded to the Country Environmental Policy and Institutional Assessment Indicator (CEPIA) which covers policies in six areas: air pollution, water pollution, solid and hazardous waste, ecosystem conservation and biodiversity protection, marine and coastal resources, and freshwater resources and commercial natural resources. 20 percent is assigned to the Broad Framework Indicator (BFI) which covers property rights and rule-based governance, quality of budgetary and financial management, efficiency of revenue mobilization, quality of public administration, and transparency, accountability, corruption in public sector.

Participants were asked to respond to 14 questions in this area. **Responses from participants support the overall structure and weight accorded to country policy and institutional performance.** For instance, when asked about the extent to which the CEPIA and BFI make use of best practices in performance measurement, participants gave an average numerical response of 7.55. When asked about the appropriateness of the 90 percent weight accorded to country policy and institutional performance within the GPI, participants gave an average numerical response of 6.10. In comments, participants recognized that without improved governance countries will be unable to make effective use of GEF funds.

Some of the questions dealt with specific aspects of the CEPIA and BFI and noteworthy results included:

- **Participants' responses did not reflect a consensus on whether there are other available indicators that should be considered for use within the**

CEPIA or the BFI. The average numerical response to this question was 4.0 and the median was also 4.0 reflecting doubt as to the availability of such indicators. However, one commenter suggested that alternative measures be found for countries which are not members of the World Bank but qualify for GEF assistance and cited the Asian Development Bank's Country Performance Assessment as a possibility. Another commenter stated that the index does not include enough areas specific to climate change such as how countries are developing their energy and transportation sectors.

- **Participants were dubious about the impact of both the CEPIA and the BFI in providing an incentive to countries to improve their performance in the future**. When asked about the extent to which the CEPIA provides such an incentive the average numerical response was 4.57 and the median was 4.0. When asked the same question about the BFI, the average numerical response was 4.00. In comments, participants cited the relatively modest level of GEF funding as one reason why the performance impact is not great. Participants also mentioned the need for there to be a clear difference in funding between well and badly performing countries and the need to publicize performance results and use them in policy dialogues.

- **Participants believe that issues related to women and the poor are separate from the RAF and should be dealt with as such.** Specific questions were asked about the extent to which CEPIA relates to countries' abilities to implement GEF projects which are sensitive to women and to the poor. In both cases, the responses of participants indicated their belief that such a relationship is minimal. They average numerical response to the question about sensitivity to women was 2.60 and the median was 2.0. The average numerical response to the question about sensitivity to the poor was 3.18 and the median was 2.0.

- **Participants were not convinced that either the CEPIA or the BFI scores are sufficiently transparent and thus understood by GEF participants.** When asked about the extent of transparency in CEPIA, the average numerical response was 4.83 and the median was 4.5. When asked about the extent of transparency in BFI, the average numerical response was 4.64 and the median was 5.0. One commenter suggested that it is not easy to find CEPIA scores and suggested they be posted publicly.

6.3.5 Appropriateness and Weight of Portfolio Performance

Within the GPI, a total weight of 10 percent is accorded to the Portfolio Performance Indicator (PPI). Half of this weight (5 percent) is derived from the average GEF project ratings for each country in the Project Implementation Review (PIR). The "project rating" is based on two factors: (1) development objectives (DO) ratings for all projects implemented since 1999; and (2) implementation progress (IP) ratings for all projects implemented since 1999. A simple average of the available project ratings is used. The

other half of the weight (5 percent) is based on ratings by the World Bank Independent Evaluation Group of environmental projects completed during the past 10 years. These ratings are based on Implementation Completion Reports (ICRs) for projects identified by the World Bank as environmental projects. A simple average of the available project ratings for each country is used.

Participants were asked a total of 16 questions about portfolio performance. **Responses indicated general support for the inclusion of portfolio performance in the GPI although that support is not as strong as support for the CEPIA and BFI**. One commenter referred to portfolio performance as a "reality check." Further, **there was a high level of support for the proposition that PIR scores and World Bank project implementation scores are likely to be a useful partial measure of a country's ability to successfully implement GEF projects.** On this subject, the average numerical score for the PIR was 7.11 and the median was 7.0. The average numerical score was 6.22 for the World Bank project implementation scores and the median was 7.0.

There was also support for the current weighting of portfolio performance within the GPI. When participants were asked specifically about the extent to which the current weight accorded the PPI is appropriate, the average numerical response was 5.30. However, it is also true that some participants would support a higher weight for the PPI. One commenter suggested that the weight of the PPI should perhaps be as high as 30 percent.

Regarding other specific matters related to portfolio performance, the following responses were provided:

- **Participants' responses do not reflect a consensus as to whether to shorten the period over which PPI scores are averaged.** When asked whether it would be advisable to shorten the period, the average numerical score was 4.45 and the standard deviation was a rather high 2.7. The median was 5. One commenter did suggest that the period be shortened from 10 years to 5 years.

- **As with the CEPIA and the BFI, participants do not believe that either the PIR or the World Bank project performance scores provide a strong incentive to improve performance in the future.** When asked the extent to which such an incentive is provided by the PIR, the average response of participants was 4.90 and the median was 4.5. When asked the same question with respect to the World Bank project performance scores, the average response of participants was 4.20 and the median was 4.0. One commenter noted that the system is complex and may not be well understood by countries. This commenter suggested that the GEF consider working with the World Bank and the Asian Development Bank to harmonize this area of assistance.

- **There was no consensus on the question of moving to a scoring system based on the percentage of projects as risk.** When asked about the advisability of moving in this direction, the average numerical response of participants was 5.00

with a relatively high standard deviation of 2.6. The median was 5.0. As noted earlier, participants support the current construct of the PPI as a reasonable indicator of countries' abilities to implement GEF projects.

6.3.6 Use of Best Practices in the GPI

Participants' responses reflect a high level of support for the GPI. For instance, when asked about the extent to which the GPI uses best practices, the average numerical response of participants was 6.86 and the median was 7.0. When asked the extent to which the GPI is effective in maximizing global environmental benefits, the average numerical response was 6.33 and the median was 7.0. Commenters generally indicated positive support for the GPI using terms like "impressive" and "pragmatic."

The one caveat reflected in this section is the concern also expressed in earlier sections regarding the transparency of the system. When asked specifically about the extent to which the GPI is transparent, the average numerical response was 5.00, somewhat lower than the responses to the other questions in this section. Commenters indicated that the system appeared to be "overdesigned," and urged that efforts be made to simplify the system.

6.4 Further Information

As previously indicated, participants in the Delphi Exercise for the GPI were asked to respond to 45 questions. They were also advised to answer only those questions they were comfortable in answering in light of their own background and expertise. The preceding discussion is focused on 29 questions where the responses were most significant in terms of the average numerical response and/or the standard deviation. *Exhibit 3* lists those 29 questions and shows the average numerical response, standard deviation, and number of responses for each of those questions.

Participants were also urged to provide narrative reasons and comments to support their numerical responses. *Appendix E* provides a summary of participant comments.

Exhibit 3: GEF Performance Delphi: Participant Scores

Question #	Concern/Question	Number of Responses	Average	Median	Standard Deviation
	Concern 1: Balance between GEF Benefits Index (GBI) and the GEF Performance Index (GPI)				
1.1	To what extent are the relative weights of the GBI and the GPI appropriate?	16	6.25	6	1.4
	Concern 2: Impact of exclusions, the group allocation, or targeted supplements				
2.1	To what extent does the exclusion of some resources impair the achievement of GEF objectives?	15	4.47	5	2.4
2.2	To what extent, if any, should funds targeted for capacity building be increased?	14	6.71	7.5	2.1
2.3	To what extent, if any, should funds targeted for global and regional projects be increased?	15	7.20	7.00	1.6
	Concern 3: Impact of ceilings, floors, and flow of funds controls				
3.2	To what extent is it appropriate to protect countries' individual allocations for four years?	14	5.86	5.5	2.6
3.3	To what extent is a reallocation every 2 years sufficiently frequent?	14	6.86	6.5	2.5
3.4	To what extent should countries be able to access 100% of their allocations to fund a viable project?	16	7.44	8.00	2.4
3.5	To what extent should the flow of funds be slowed down if projects are not achieving performance objectives?	13	7.31	8.00	1.4

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Question #	Concern/Question	Average	Median	Standard Deviation	Number of Participants
	Concern 4: Country policy and institutional performance				
4.1	To what extent do the CEPIA and the BFI make use of best practices in performance measurement?	7.55	8	1.4	11
4.2	To what extent are indicators available but not used by CEPIA or the BFI which should be considered for use by the CEPIA or BFI?	4.00	4.00	2.1	9
4.3	To what extent does country policy and institutional performance have an appropriate weight in the RAF?	6.10	6.00	1.6	10
4.5	Are the CEPIA scores likely to be a useful partial measure of the country's ability to successfully implement GEF projects	6.64	6.5	2.3	14
4.6	To what extent does CEPIA provide an incentive for countries to improve their performance in the future?	4.57	4	2.6	14
4.12	To what extent does BFI provide an incentive for countries to improve their performance in the future?	4.00	4.00	2.1	13
4.7	To what extent does CEPIA relate to countries' abilities to implement projects that are sensitive to women?	2.60	2.00	1.7	10
4.8	To what extent does CEPIA relate to countries' abilities to implement projects that are sensitive to the poor?	3.18	2.00	2.2	11
4.10	To what extent are CEPIA scores relevant to identifying those situations where GEF funds are likely to be used well?	6.17	6.50	2.0	12
4.9	To what extent do CEPIA scores appear to be transparent and thus understood by GEF participants?	4.83	4.50	2.3	12
4.13	To what extent do BFI scores appear to be transparent and thus understood by GEF participants?	4.64	5.00	2.0	11

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	Concern 5: Portfolio performance				
5.3	To what extent is the use of average performance scores for whole portfolios superior to scores based on projects at risk?	5.00	5.00	2.6	11
5.4	To what extent is it advisable to shorten the period over which portfolio performance scores are averaged?	4.45	5	2.7	11
5.6	Are PIR scores likely to be a useful partial measure of a country's ability to implement GEF projects?	7.11	7	1.4	9
5.11	To what extent is the PIR relevant to identifying those situations where GEF funds are likely to be used well?	6.25	6	1.0	8
5.12	To what extent are WB project implementation scores likely to be a useful partial measure of a country's ability to implement GEF projects?	6.22	7	1.4	9
5.9	To what extent are PIR scores likely to provide an incentive for countries to improve their performance in the future?	4.90	4.50	1.9	10
5.14	To what extent are World Bank project implementation scores likely to provide an incentive for countries to improve their performance in the future?	4.20	4.00	1.7	10
	Concern 6: Use of best practices in the GPI				
6.1	Overall, to what extent does the GPI use best practices in its indices?	6.86	7	1.6	7
6.2	Overall, to what extent are the GPI indices supported by technically adequate and timely data?	6.29	6	0.7	7
6.4	Overall, to what extent is the GPI effective in maximizing global environmental benefits?	6.33	7	1.6	9

7. Appendix A: Expert Panels

We would like to acknowledge the expert panelists listed below who were consulted to provide assessments of the components of the RAF: i.e., the GEF Benefits Indices (GBI) for biodiversity and climate change and the GEF Performance Index (GPI). Their input provided guidance on the development and design of the respective Delphi studies.

7.1 Biodiversity Delphi

Holly Dublin, IUCN - The International Union for Conservation of Nature
Lucy Emerton, Environment Management Group
Paul Ferraro, Georgia State University
Jeff McNeely, IUCN - The International Union for Conservation of Nature
Cedric Schuster, Pacific Environment Consultants Ltd. (PECL)
Siv Elin Tokle, GEF Evaluation Office
Claudio Volonte, GEF Evaluation Office

M. Gary Costello, Consultant, GEF Evaluation Office
James Fremming, Consultant, GEF Evaluation Office

Focal Area Leader: *Erik Lichtenberg*

7.2 Climate Change Delphi

Sylvia Borbonus, Wuppertal Institute for Climate, Environment and Energy
Anjali Shanker, Innovation Energy Développment (IED)
Siv Elin Tokle, GEF Evaluation Office
Harald Winkler, Energy Research Centre, University of Cape Town
Christine Woerlen, German Energy Agency (dena)

Focal Area Leader: *Mohan Munasinghe*

7.3 Performance Delphi

Bjørn Førde, United Nations Development Programme (UNDP)
Nancy MacPherson, IUCN - The World Conservation Union
Prem Garg, The World Bank
Uma Lele, Consultant, The World Bank
Siv Elin Tokle, GEF Evaluation Office

James Fremming, Consultant, GEF Evaluation Office
Kenneth Watson, Consultant, GEF Evaluation Office

Focal Area Leader: *Stephen Dewhurst*, World Perspectives, Inc.

8. Appendix B: Expert Participants

We would like to acknowledge the following expert participants who contributed their expertise, insights and time in support of the GEF's mid-term review of its Resource Allocation Framework.

8.1 Biodiversity Delphi

Robin Abell, World Wildlife Fund (WWF)

Didier Babin, Institut français de la biodiversité (IFB)

Nicolas Bailly, Consultative Group on International Agricultural Research (CGIAR)

Leon Bennun, BirdLife International

Enrique H. Bucher, Centro de Zoologia Aplicada, Universidad Nacional de Cordoba

Marian S. delos Angeles, The World Bank

David Duthie, United Nations Environment Programme (UNEP)

Tewolde Berhan Gebre Egziabher, Environmental Protection Authority, Ethiopia

Sarah French, Consultant

Rainer Froese, Leibniz-Institute for Marine Sciences (IFM-GEOMAR)

Justin Gerlach, Consultant

Christoph Goerg, Helmholtz Centre for Environmental Research (UFZ)

Frank Hawkins, Conservation International

Brian J. Huntley, South African National Biodiversity Institute

Jihyun Lee, Convention on Biological Diversity

Pedro Wilson Leitão, Brazilian Biodiversity Fund (FUNBIO)

Mostafa Madbouhi, Secretariat of State for Water and Environment (Morocco)

Sue Mainka, International Union for Conservation of Nature (IUCN)

Yolanda Matamoros, Fundación pro Zoológicos (Costa Rica)

Peter McIntyre, University of Michigan

Clark A. Miller, Arizona State University (ASU)

Kenton Miller, WCPA Chair emeritus; WRI VP emeritus

Luis Pabon-Zamora, The Nature Conservancy (TNC)

Charles Perrings, Arizona State University (ASU)

Hugh Possingham, University of Queensland, Australia

Christian Prip, Agency for Spatial and Environmental Planning, Denmark

Kent H. Redford, Wildlife Conservation Society

John Gwilym Robinson, Wildlife Conservation Society

Martin Sharman, European Commission

Navjot S. Sodhi, National University of Singapore (NUS)

Joe Stanley, Secretariat of the Pacific Regional Environment Programme (SPREP)

Will Turner, Conservation International

Francis Vorhies, Consultant

Jacques Weber, French Agricultural Research Centre for International Development (CIRAD)

Heidi Wittmer, Helmholtz Centre for Environmental Research (UFZ)

Maria Elena Zaccagnini, Centro Nacional de Investigaciones Agropecuarias, Argentina

8.2 Climate Change Delphi

Kenneth Andrasko, The World Bank

Anders Arvidson, Stockholm Environment Institute (SEI)

Marilyn Averill, University of Colorado at Boulder

Mustafa H. Babiker, Consultant

Paul Baer, EcoEquity

Pacita F. Barba, National Water Resources Board, Philippines

Terry Barker, University of Cambridge

Pamposh Bhat, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

S.C. Bhattacharya, Energy Program, Asian Institute of Technology (Thailand)

David Neil Bird, Joanneum Research

Philippe Bosse, Agence Française de Développement

Amnat Chidthaisong, Joint Graduate School of Energy and Environment, Thailand

Jan Corfee-Morlot, Organisation for Economic Cooperation and Development (OECD)

Tanguy de Biolley, Consultant

Christian de Gromard, Agence Française de Développement

Kenneth Denman, Environment Canada

Zaheer Fakir, Department of Environmental Affairs and Tourism, South Africa

Uwe R. Fritsche, Institute for Applied Ecology, Germany

Claude Gascon, Conservation International

Arnulf Grubler, International Institute for Applied Systems Analysis (IIASA)

Moustapha Kamal Gueye, International Centre for Trade and Sustainable Development (**ICTSD**)

Erik Haites, Margaree Consultants Inc.

Johan Hattingh, Stellenbosch University

Tom-Reiel Heggedal, Statistics Norway

Martin Herold, Friedrich Schiller University of Jena

Tae Yong Jung, Asian Development Bank

Gail Kendall, CLP Research Institute

Ben Lashkari, Swiss Re

Elizabeth L. Malone, Pacific Northwest National Laboratory

Jose Antonio Marengo, Centro de Previsão de Tempo e Estudos Climáticos, Brazil

Marc-Antoine Martin, Agence Française de Développement

Brian McConkey, Agriculture and Agri-Food Canada (AAFC)

Axel Michaelowa, Perspectives

Elliot Morley, United Kingdom Parliament

Shadananan Nair, Cochin University of Science & Technology

Michael Obersteiner, International Institute for Applied Systems Analysis (IIASA)

Klaus Oppermann, KfW Bankengruppe

Walter Oyhantçabal, Ministry of Livestock, Agriculture and Fisheries, Uruguay

Binu Parthan, Renewable Energy & Energy Efficiency Partnership (REEEP)

Ramón Pichs, Centre for World Economy Studies (CIEM) (Cuba)

Carlos Manuel Rodriguez, Conservation International

K. Madhava Sarma, Consultant

Robert (Bob) J. Scholes, Council for Scientific and Industrial Research (CSIR), South Africa

Youba Sokona, Sahara and Sahel Observatory

Christoph Steiner, University of Georgia

Ronald J. Stouffer, National Oceanic and Atmospheric Administration (NOAA), USA

Charlotte Streck, Climate Focus B.V., (The Netherlands)

Nobuo Tanaka, International Energy Agency (IEA)

Sirintornthep Towprayoon, Joint Graduate School of Energy and Environment (Thailand)

Patrick E. Van Laake, International Institute for Geo-Information Science and Earth Observation (ITC)

Yolando Velasco, United Nations Framework Convention on Climate Change (UNFCCC)

Aviel Verbruggen, University of Antwerp

Robert Williams, United Nations Industrial Development Organization (UNIDO)

Vicente Paolo Yu, South Centre

Stephen E. Zebiak, International Research Institute for Climate and Society

8.3 Performance Delphi

Joseph Zveglich, Asian Development Bank (ADB)

Eugene Zhukov, Asian Development Bank (ADB)

Frederik van Bolhuis, The World Bank, retired

Boubacar Sidiki Traore, African Development Bank (AfDB)

Jan Sheltinga, Canadian International Development Agency (CIDA)

Philip K. Quarcoo, African Development Bank (AfDB)

Patricia Flynn Moore, International Union for Conservation of Nature

Peter-John Meynell, Consultant

Heike Mainhardt, Bank Information Center (BIC)

Hemamala Hettige, Asian Development Bank (ADB)

Leslie Fox, Consultant

Adrian Debique, Caribbean Development Bank (CBD)

Lorraine Corner, Consultant (Australia)

Fred Carden, The International Development Research Centre (IDRC)

Douglas Barnett, African Development Bank (AfDB)

Brian Baldwin, International Fund for Agricultural Development (IFAD)

Shinji Asanuma, Hitotsubashi University

Elisa Anderson, U.S. Agency for International Development (USAID)

Bradley Christopher Parks, Millennium Challenge Corporation (MCC)

Ray C. Rist, The World Bank

Theresa Rice, International Fund for Agricultural Development (IFAD)

9. Appendix C: Delphi Protocols

9.1 Biodiversity Protocol

GEF Resource Allocation Framework (RAF)
GEF Benefits Index for Biodiversity (GBI_{BIO})

About the Resource Allocation Formula (RAF)

In February 2007 the Global Environment Facility (GEF) approved a Resource Allocation Framework (RAF).[6] As is the case with several multilateral funds, the GEF allocation system is a two-stage process. As a first stage, an indicative allocation is calculated for each member country. As a second stage, each country proposes projects for grants within its indicative allocation.

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change. Four other focal areas are not subject to the Resource Allocation Framework at this time.[7] Each of the two focal areas subject to RAF have approximately US$1 billion to allocate among recipient countries for four years of project activity, 2007-2010 (GEF 4). Funds in each of the two areas are allocated separately – that is, there is no competition for funds across the focal areas. However there are certain exclusions; and individual country allocations are constrained by a minimum (a floor) and maximum (a ceiling).[8]

Indicative allocations of these resources are provided to GEF member countries in proportion to their country scores. These scores are calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI).

[6] Global Environmental Facility. Technical Paper on the GEF Resource Allocation Framework. GEF/c.26/2/Rev.1 August 24, 2005.

[7] The four focal areas that are currently outside the RAF are (1) International waters; (2) Sustainable Land Management; (3) Persistent Organic Pollutants and (4) Ozone.

[8] Exclusions include: (a) Global and Regional Projects. Five percent of the resources available for each of the focal areas is set aside for global and regional projects; (b) five percent is set aside for the small grants program and cross-cutting capacity building; and (c) Floors. For each focal area, one million dollars is set aside as a minimum indicative allocation for each eligible country. Many countries use this basic amount to meet their reporting responsibilities under various conventions. The funds may also be used to fund a country's share of crosscutting capacity building activities supported by the GEF. (d) Ceilings. No country is allocated more than 10% (biodiversity) or 15% (climate change) of the total resources available to that focal area for the replenishment period.

The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and potential) and readiness (demonstrated by portfolio performance and policy/institutional performance).

About the Benefits Index for Biodiversity (GBI_{BIO})

The Benefits Index for Biodiversity (GBI_{BIO}) is used by the Global Environment Facility (GEF) to provide a relative ranking of countries for meeting the objectives of the GEF's biodiversity focal area in a manner that is clearly related to the strategic objectives of the biodiversity program; supported by timely, comprehensive, objective and reliable data; and transparent.

The strategic objectives of the biodiversity focal area of the GEF, set by the Convention on Biological Diversity (CBD) and implemented by the GEF through funding of specific projects, include enabling conservation of biodiversity through the establishment and maintenance of protected area systems and other means; promoting sustainable use of biological resources in production systems; protecting important reservoirs of agriculturally important crop and livestock germplasm (agrobiodiversity); preventing damage to biodiversity from the use of biotechnology (biosafety); and generating benefits from the transfer of genetic resources across borders. The GEF recognizes that biodiversity—and threats to biodiversity—are not distributed uniformly across countries and that significant uncertainties remain about the economic and ecosystem values of biodiversity. It attempts to use the best information available to balance humanity's interests regarding ecological processes at global, regional, and local scales against the requirements of country-driven programs responding largely to national interests rather than global ones. For a description of current objectives and the strategy for meeting them, see the GEF's "Biodiversity Focal Area Strategy and Strategic Programming for GEF-4".

- The GBI_{BIO} attempts to use the most comprehensive, reliable scientific information available to measure each country's potential contribution to the strategic objectives of the GEF's biodiversity program. It is a weighted average of two scores—one for terrestrial species and ecosystems (including freshwater species and ecosystems), the other for marine species and ecosystems—each of which is itself a weighted average. A detailed description of how these scores are calculated can be found in pages 1-15 of "The GEF Resource Allocation Framework" (November 2005).

A country's terrestrial score is calculated using information on species present in each country, the country's share of the habitat of each species, threatened and endangered status of species, ecoregions represented, and threatened status of each ecoregion.

- The GBI_{BIO} uses data on mammals and amphibians, and the habitats in their area of occurrence from the International Union for the Conservation of Nature

(IUCN) Red List); data on birds and their habitats from BirdLife International; data on reptiles, vascular plants, and their habitats from the UNEP-World Conservation Monitoring Center; and data on freshwater fish from FishBase.

- Terrestrial scores are calculated for each ecoregion located in a country (country-ecoregion components, or CECs); the scores of all CECs present in a country are then added to obtain an overall terrestrial score.
- A CEC is determined by overlaying maps of biologically determined ecoregions on politically-determined maps of country boundaries. Land cleared for agriculture or urban uses is excluded.
- Each species represented in a CEC is given a credit equal to the country's share of the habitat of that species.
- Normalized credits for represented species are calculated for each taxon (mammals, birds, amphibians, reptiles, fish, vascular plants) present in each CEC.
- Each CEC's score for represented species equals the average of normalized credits for these 6 taxa.
- Each CEC is also given a score for mammals, birds, and amphibians according to threatened status as listed on theIUCN Red List. (Reptiles, plants, and fish are not included.) Species that are classified as extinct in the wild or critically endangered are given a credit of 10; species that are classified as endangered are given a credit of 6.7; species that are classified as vulnerable are given a credit of 1; species that are classified as near threatened or least concern are given no additional credit for threatened status. Normalized credits are calculated separately for each of these three taxa. The overall CEC score for threatened species is calculated as the average of these normalized credits over all three taxa.
- Each CEC's score for represented ecoregions equals the CEC's share of the overall area of the ecoregion to which it belongs.
- Each CEC is also given a score for threatened ecoregions based on the definitions of the WWF. Ecoregions classified as critical/endangered are given 4 threat credits; ecoregions that are vulnerable are given 2 threat credits; and ecoregions that are stable are given 1 threat credit. Threat credits are multiplied by the CEC's share of the overall area of the ecoregion to which it belongs.

Each CEC's score is a weighted average of its represented species score, its threatened species score, its represented ecoregion score, and its threatened ecoregion score:

CEC Score = 0.55×Represented Species + 0.20×Threatened Species + 0.15×Represented Ecoregion + 0.10×Threatened Ecoregion.

These weights, and the weights on terrestrial and marine scores given below, were chosen by a working group with the goal of giving greater weight to more current, reliable information.

Each country's composite terrestrial score is the sum of the scores of all CECs located within its boundaries.

Due to data limitations, a country's marine score is based solely on represented fish species, using FishBase data, without regard to threatened status; marine ecosystem types are also not taken into consideration.

- Each country is given a credit for each marine fish species present equal to the country's share of the estimated habitat of that species (calculated using the exclusive economic zones of all countries in which the species is present).
- The country's marine score equals the sum of its represented species credits.

A country's biodiversity index (GBI_{BIO}) is a weighted average of its terrestrial and marine scores, with its terrestrial score receiving 80% of the weight and its marine score receiving the remaining 20%:

$$\mathbf{GBI_{BIO} = 0.8 \times Terrestrial\ Score + 0.2 \times Marine\ Score}$$

About the GEF Performance Index (GPI)

The GEF Performance Index seeks to measure each country's capacity to successfully implement GEF programs and projects based on its current and past performance. The fundamental objectives of including the GPI in the RAF are to ensure that countries are provided with an incentive for good performance and that funds are placed in countries where they are likely to be effective because of good government performance. Some key assumptions underlying the use of the GEF Performance Index (GPI) include:

- Linking country performance to resources, along with other International Financial Institutions (IFIs), and making performance scores visible and transparent, will provide a significant incentive to improve performance.

- The process of scoring country performance is tractable. For example, if country performance, either portfolio performance or policy/institutional performance, were unstable and inconsistent, it might be impossible for governments to see the link between their performance and the level of GEF funds made available to them; and there might be insurmountable practical difficulties in managing unpredictable country program budgets.

The GPI is a measure of each country's capacity to implement GEF programs and projects successfully, judging from its current and past performance. It is composed of three indicators of performance. That is, it contains three variables, as follows:

(d) Country Environmental Policy and Institutional Assessment (CEPIA), with a weight of 70 percent in GPI. This variable is the score that the country had received in the latest World Bank Country Policy and Institutional Assessment (CPIA) for the "Policies and Institutions for Environmental Sustainability" criterion.

(e) Broad Framework Indicator (BFI), sometimes called "governance", with a weight of 20 percent in GPI. The BFI is the simple average of a country's scores under five specific criteria in the World Bank's CPIA – that is, scores on the "Public Sector Management and Institutions" cluster of criteria.; and

(f) Portfolio Performance Indicator (PPI). This variable has a weight of 10% in the GPI equally split between (a) an indicator developed from GEF project ratings contained in the annual Project Implementation Review and (b) an indicator developed from ratings by the World Bank's Independent Evaluation Group's Implementation Completion Reports for environment-related projects;

GPI = 0.1 PPI + 0.7 CEPIA + 0.2 BFI

The GPI number calculated in this way is an input to the RAF formula, along with the country's score on the GBI.

Other Aspects of the RAF

(1) Individual and Pooled Allocations

Resources for each of the two focal areas (biodiversity and climate change) are allocated either to individual countries or to country pools. The countries with the largest potential allocations (the fewest countries whose indicative allocations will add to 75% of total funds in that focal area) receive individual indicative allocations.

Resources for the other member countries are placed in a single pool. These countries can apply for grants up to a ceiling. That ceiling is fixed by the hypothetical indicative[9] allocation of the country in the pool that has the largest "potential" allocation – that is, the country that would have received the highest allocation if the pooled countries had, indeed, received individual allocations. The reason for having a single pool of resources for the countries that otherwise would have had very small individual allocations is to provide more flexibility in two ways. First, it avoids "locking in" allocations for countries that might be unlikely to apply for a grant at all during the current replenishment period; and, second, it enables the active members of the pool to access greater resources than the allocation that they would have received as individuals.

A minor provision, to contribute to predictability, is that a country that receives an individual allocation in the first two years of the replenishment period will continue to receive an individual allocation in the second two years, even if, under strict rules, it would have fallen into the general pool in the second period.

(2) Limitation on Front Loading

[9] Allocation is indicative in that they are not entitlements but rather indicate funds that may be available to the country given successful grant applications. See CEO Communication to GEF Focal Point August 8, 2006.

A country cannot receive more than 50% of its four-year indicative allocation in the first two years. If the country is part of a pool it cannot receive more than 50% of the maximum amount that it is eligible to receive from the pool. This is a significant constraint for all countries but especially for countries for whom 50% of an already small allocation might not reach the viable size for a project.

(3) Frequency of Allocation/Reallocation

In effect funds are allocated every two years. Half of the available funds are allocated at the beginning of the replenishment period and half at the mid-point (in July 2008 in the case of GEF 4). All allocations and reallocations use the same formula and procedures. Data (the values of the variables in the allocation formula) are updated to current values each time.

(4) Carry Over of Funds from Years 1 and 2 to Years 3 and 4

Funds that a country does not use during the first two years of the replenishment period are automatically carried over into the final two years. This is true of the pooled amounts as well. Therefore in the second two years of the replenishment period, each country will receive an allocation that is the total of two amounts: (1) a formula-based indicative allocation from the 50% of monies available for the second half of the replenishment period, and (2) any funds not used from their initial allocation during the previous two years.

About this Delphi Exercise:

You have been asked to participate in this Delphi exercise because of your knowledge in relevant subject matter areas. In general, participants have been chosen for their expertise on performance allocation systems and country performance, or expertise on a particular subject matter that is relevant to these considerations. Participants include representatives from both developing and developed countries. As much as possible, participants have been drawn from different stakeholder groups involved in the GEF, including member government representatives, researchers, private business people, representatives of NGOs, and representatives of donors and development organizations.

Please answer only those questions you feel comfortable answering; leave the others blank. All specific answers will remain anonymous during the Delphi exercise and afterwards, although the names of participants will be listed in the final report of the evaluation team.

The Delphi evaluation approach involves a panel of persons who address certain issues independently on the basis of their expertise. During several iterations, participants will have an opportunity to consider their position further in light of anonymous feedback of the general opinion of the group. The initial round of the Delphi exercise involves

participants in making individual judgments on the questions asked. At the start of each subsequent iteration, the Delphi participants are provided with a synthesis of the earlier responses by fellow participants. Sometimes this synthesis will involve averages (of quantitative estimates), consensus views, an indication of the range of views, and other materials. Over the course of the Delphi exercise participants have the opportunity to adjust their responses if they wish, in the context of new information. It is not necessary that views across the panel be the same. Sometimes they converge as information becomes available; and sometimes they diverge as different points of view emerge.

This Delphi exercise is designed to elicit your views in nine areas of concern.
The protocol below provides points relevant to each concern, and protocol questions. The questions generally ask for a response on a numerical scale (1 to 10). You are invited to expand upon your numerical responses with text comments. In fact you are strongly encouraged to do so. Comments are very helpful in explaining responses; and especially helpful in making the Delphi iterations productive.

Please click on the following link to launch the protocol. You will be able to save your input at any time and return later to complete the process and/or to update your previous responses.

Delphi Panel Protocol

Concern 1: The data used in the RAF GBI_{BIO} are not comprehensive and the taxa covered by the RAF GBI_{BIO} may miss important aspects of biodiversity.

Points and Questions for the Delphi Panel:

1.1 The current RAF includes terrestrial vertebrates and vascular plants only. To what extent should the RAF be expanded to incorporate terrestrial invertebrates to the extent feasible? (10=to the maximum extent,1=no change recommended) (Comment)

1.2 The current RAF includes marine fish species only. To what extent should the RAF be expanded to incorporate marine invertebrates of special interest such as corals to the extent feasible? (10=to the maximum extent,1=no change recommended) (Comment)

1.3 The current RAF does not give extra weight to species and ecoregions that are important reservoirs of agriculturally important crop and livestock germplasm (agrobiodiversity). To what extent should it be amended to give extra weight for agrobiodiversity? (10=to the maximum extent,1=no change recommended) (Comment)

1.4 The current RAF does not give extra weight to countries faced with enhanced risks from the use of biotechnology. To what extent should it be amended to

give extra weight for biosafety threats (10=to the maximum extent,1=no change recommended) (Comment)

1.5 The current RAF does not give extra weight to megadiversity countries or countries containing biodiversity "hot spots". To what extent should the RAF be amended to give extra weight to megadiversity countries and/or countries with biodiversity "hot spots"? (10=to the maximum extent,1=no change recommended) (Comment)

Concern 2: The current RAF may not rely on the best available data.

Points and Questions for the Delphi Panel:

2.1 The current RAF GBI_{BIO} uses comprehensive global data on mammals, amphibians, and their habitats from the International Union for the Conservation of Nature (IUCN); uses data on birds and their habitats from BirdLife International; data on freshwater and marine fish from the UNEP-World Conservation Monitoring Center; data on freshwater and marine fish from FishBase; and the WWF's characterization of the endangered/threatened status of the world's terrestrial ecoregions. To what extent are these the most comprehensive and reliable data available for these items? (10=to a great extent,1=not comprehensive and reliable) (Comment: If possible in your comment, please name any and all sources you believe to be more reliable and comprehensive and explain why you believe them to be so.)

2.2 To what extent are there data which the GEF GBI_{BIO} does not use and that give a more accurate depiction of potential for biodiversity conservation, promotion of sustainable use, and/or generation of benefits from the transfer of genetic resources across borders and are also as comprehensive and reliable as those currently used in the GEF RAF GBI_{BIO}? (10=to a great extent,1=no data available) (Comment: If possible in your comment, please name the data sources and explain why you believe them to be comprehensive and reliable.

2.3 A country's marine biodiversity score is based on whether a marine fish species is present in the country's exclusive economic zone (EEZ) and the country's EEZ as a share of the EEZs of all countries in which that species is present. In contrast, terrestrial scores include adjustments for endangered and threatened status of both species and ecoregions. This difference is based on the perception that there is a lack of the information needed to treat marine species and ecosystems in the same manner as terrestrial/freshwater ones.

2.4 To what extent do there exist reliable, comprehensive data that would allow consideration of threatened/endangered status of marine species in the same manner as terrestrial/freshwater species? (10=to a great extent,1=no data available)

a. If you believe such data is available, should the RAF GBI_{BIO} take endangered/threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity? (2 = yes, 1 = no) (Comment)

2.5 To what extent do there exist reliable, comprehensive data that would allow categorization of ecosystem types and their threatened/endangered in the same manner as terrestrial ones? (10=to a great extent,1=no data available)

2.6 If you believe such data is available, should the RAF GBI_{BIO} take marine ecosystem type and endangered/threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity? (2 = yes, 1 = no) (Comment)

Concern 3: The goals of the GEF Biodiversity Program are conservation of biodiversity, promotion of sustainable use of biological resources, and generation of benefits from the transfer of genetic resources across borders. The current RAF may not accurately reflect countries' potential in these three areas.

Points and Questions for the Delphi Panel:

- The current RAF prioritizes countries for funding based on indexes constructed using data on (a) the numbers of mammal, bird, amphibian, reptile, freshwater and marine fish, and terrestrial vascular plant species present; (b) endangered/ threatened status of species from those taxa; (c) ecoregion types; and (d) threatened status of ecoregions.
- Countries qualifying for individual GEF funding and their priority scores are given in the attached table of country GEF benefits indexes for biodiversity, rankings, and indicative allocations.
- Countries that do not qualify for individual GEF are eligible for funding as part of regional projects; these countries (and their priority scores) are also listed in the attached table.
- A description of the GEF biodiversity program activities as of 2006 can be found in the November, 2006 GEF progress report on implementation of the RAF.

3.1 To what extent is the list of countries qualified for individual funding biased toward one or two of these three goals at the expense of others? (10=to a great extent,1=not biased) (Comment)

3.2 The list reflects an emphasis on conservation that is (10 = much too high, 5 = about right, 1 = much too low).

3.3 The list reflects an emphasis on sustainable use of biological resources that is (10 = much too high, 5 = about right, 1 = much too low)

3.4 The list reflects an emphasis on benefits from transferring genetic resources is (10 = much too high, 5 = about right, 1 = much too low)

3.5 To what extent are there countries that qualify only for funding as part of regional projects that you believe should qualify for funding individually? (10=to a great extent,1=no such countries) (Comment: If you believe there are such countries, in your comment please name those countries and give reasons why you believe their scores do not accurately reflect their potential for meeting the goals of the GEF.)

3.6 To what extent are there countries qualified for individual funding that you believe should not qualify for funding individually? (10=to a great extent,1=no such countries) (Comment: If you believe there are such countries, in your comment please name those countries and give reasons why you believe their scores do not accurately reflect their potential for meeting the goals of the GEF.)

Concern 4: The current RAF GBI_{BIO} favors terrestrial/freshwater over marine biodiversity resources. Furthermore, the ways in which terrestrial and marine biodiversity funding priorities are calculated are not comparable to each other.

Points and Question for the Delphi Panel:

4.1 The current RAF gives a country's terrestrial biodiversity score four times as much weight as its marine biodiversity score (i.e., the terrestrial score counts for 80% of each country's biodiversity benefits index while the marine score counts of 20%). To what extent is this weighting appropriate? (10 = far too high, 5 = about right, 1 = far too low) (Comment)

Concern 5: Reliance on the Performance Index (GPI) to assess the likelihood of proper project management (and thus cost-effectiveness and sustainability of projects generally) may not be adequate to assess the likely cost-effectiveness and sustainability of biodiversity conservation and sustainable use efforts specifically.

Points and Questions for the Delphi Panel:

5.1 To what extent should the RAF take into account costs of conserving biodiversity and/or delivering more sustainable use of biological resources? (10=to a maximum extent,1=do not take into account) (Comment)

5.2 To what extent do there exist reliable comprehensive data or a project approval process that would allow incorporation of cost into the RAF? (10=to a great extent,1=no such data or process) (Comment)

5.3 To what extent would taking cost into account in the RAF result in greater biodiversity conservation and/or sustainable use of biological resources? (10 = substantially more, 5 = about the same, 1 = substantially less) (Comment)

5.4 To what extent does the current RAF give sufficient weight to a country's ability to maintain proposed biodiversity conservation, sustainable use delivery, or implementation of biosafety safeguards? (10 = far too much emphasis on sustainability, 5 = about right, 1 = far too little emphasis on sustainability) (Comment)

5.5 The current RAF makes no provision for the potential for private sector involvement in biodiversity conservation and/or sustainable use of biological resources. To what extent should it be amended to take potential private sector involvement into account? (10=to a maximum extent,1=no change recommended) (Comment: If you recommend change, in your comment please explain why you believe private sector involvement to be important and ways such potential involvement could be taken into account.)

5.6 Aside from general measures of country-level performance in the GPI, the current RAF makes no provision for a country's demonstrated performance in providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures specifically. To what extent should the RAF be amended to take into account a country's demonstrated performance in providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures? (10=to a maximum extent,1=no change recommended) (Comment: If you recommend change, in your comment please suggest ways in which a country's demonstrated performance providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures could be taken into account.)

5.7 The RAF currently limits disbursement of funds such that no more than half a country's allocation can be disbursed within the first two years.

5.8 To what extent does the limit on disbursing funds (no more than half a country's allocation within the first two years) influence the cost effectiveness of biodiversity conservation/sustainable use projects? (10 = makes projects much more cost-effective, 5 = no influence, 1 = makes projects much less cost-effective) (Comment)

5.9 To what extent does the limit on disbursing funds (no more than half a country's allocation within the first two years) influence the sustainability of biodiversity conservation/sustainable use projects? (10 = makes projects much more sustainable, 5 = no influence, 1 = makes projects much less sustainable) (Comment)

Concern 6: Using indicative allocations to guide funding decisions may remove competitive pressures among nations to secure GEF funding thus (1) reducing the quality of the proposals submitted in terms of potential to provide global environmental benefits and in terms of cost effectiveness and (2) preventing the GEF-Secretariat from producing coherent funding portfolios.

Points and Question for the Delphi Panel:

6.1 To what extent do you believe that using indicative allocations to guide funding decisions influences the quality of biodiversity proposals? (10 = it has significantly positive effects, 5 = no effect, 1 = it has significantly negative effects)

6.2 To what extent do you believe that using indicative allocations to guide funding decisions influences the coherence of GEF biodiversity funding portfolios? (10 = it has significantly positive effects, 5 = no effect, 1 = it has significantly negative effects)

6.3 It has been suggested that a measure that might improve the performance of the GEF would be to create more competition by giving countries the option of forming groups, with the GBI_{BIO} and GPI then being applied to the entire group to derive an indicative allocation for the group using a group score instead of individual country scores. To what extent do you believe such an option would enhance the performance of the GEF? (10 = it would significantly improve GEF performance, 5 = no effect, 1 = it would significantly worsen GEF performance) (Comment: In your comment, it is especially important that you explain your answer to this question.)

Concern 7: The RAF may not be sufficiently transparent.

Question for the Delphi Panel:

7.1 To what extent do the formulas used to calculate the RAF biodiversity score make it difficult to understand how indicative funding allocations are arrived at? (10 = agree strongly, 5= neutral, 1 = disagree strongly) (Comment)

Concern 8: The RAF may not produce indicative funding allocations that are sufficiently equitable.

Questions for the Delphi Panel:

8.1 To what extent does the current RAF result in too great a concentration of funding (too large a share allocated to too few countries)? (10 = far too much concentration, 5 = about right, 1 = far too little concentration) (Comment)

8.2 To what extent would a more equal distribution of GEF biodiversity funding result in greater biodiversity conservation and/or sustainable use of biological resources? (10 = substantially more, 5 = about the same, 1 = substantially less) (Comment)

Concern 9: The information used to guide funding allocations may not be relevant for guiding selection of specific projects for biodiversity conservation, sustainable use promotion, or generation of benefits from the transfer of genetic resources across borders.

Questions for the Delphi Panel:

5.1 How relevant is the information contained in a country's GBI_{BIO} for guiding the selection of specific biodiversity projects? (10 = extremely relevant, 5 = neither relevant nor irrelevant, 1= completely irrelevant) (Comment)

5.2 To what extent should the information contained in a country's GBI_{BIO} be used to choose among specific biodiversity project proposals? (10=to a great extent,1=not at all) (Comment)

5.3 To what extent would using the information contained in a country's GBI_{BIO} to choose among specific biodiversity project proposals help reduce the time and effort required for preparation of project proposals and for making funding decisions? (10=to a great extent,1=not at all)

If you had the opportunity to change the way in which the GEF allocates funds to assist the GEF in maximizing the extent to which it meets the goals of the biodiversity focal area given its limited budget, how might you do things differently from the current RAF system? (Comment)

9.2 Climate Change Protocol

GEF Resource Allocation Framework (RAF)
GEF Benefits Index (GBI)
Climate Change

About the Resource Allocation Formula (RAF)

In February 2007 the Global Environment Facility (GEF) approved a Resource Allocation Framework (RAF).[10] The GEF allocation system is, like several other multilateral funds, a two-stage process. As a first stage, an indicative allocation is calculated for each member country. As a second stage, each country proposes projects for grants within its indicative allocation.

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change (mitigation). Four other focal areas are not subject to the Resource Allocation Framework at this time.[11] Each of the two focal areas subject to RAF have approximately US$1 billion to allocate among recipient countries for four years of project activity, 2007-2010 (GEF 4). Funds in each of the two areas are allocated separately – that is, there is no competition for funds across the focal areas. However there are certain exclusions; and individual country allocations are constrained by a minimum (a floor) and maximum (a ceiling).[12]

Indicative allocations of these resources are provided to GEF member countries in proportion to their country scores. These scores are calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI).

The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and mitigation potential) and readiness (demonstrated by portfolio performance and policy/institutional performance).

[10] Global Environmental Facility. Technical Paper on the GEF Resource Allocation Framework. GEF/c.26/2/Rev.1 August 24, 2005.

[11] The four focal areas that are currently outside the RAF are (1) International waters; (2) Sustainable Land Management; (3) Persistent Organic Pollutants and (4) Ozone.

[12] Exclusions include: (a) Global and Regional Projects. Five percent of the resources available for each of the focal areas is set aside for global and regional projects; (b) five percent is set aside for the small grants program and cross-cutting capacity building; and (c) Floors. For each focal area, one million dollars is set aside as a minimum indicative allocation for each eligible country. Many countries use this basic amount to meet their reporting responsibilities under various conventions. The funds may also be used to fund a country's share of crosscutting capacity building activities supported by the GEF. (d) Ceilings. No country is allocated more than 10% (biodiversity) or 15% (climate change) of the total resources available to that focal area for the replenishment period.

About the Benefits Index for Climate Change (GBI_{CC})

As the financial mechanism for the United Nations Framework Convention on Climate Change (UNFCCC), the GEF's climate change objectives are based on the guidance of the UNFCCC. The UNFCCC became effective in March 1994. It seeks to stabilize atmospheric greenhouse gas concentrations at levels that will prevent dangerous anthropogenic interference with the global climate system. The Convention calls upon countries to take actions to stabilize the climate in keeping with the principle of "common but differentiated responsibilities".

As the entity entrusted with operating the financial mechanism of the UNFCCC, the GEF provides new and additional grant and concessional funding to developing countries and countries with economies in transition to achieve global environmental benefits in climate change. The GEF supports the preparation of the national communications of developing countries to the UNFCCC. The GEF operational strategy for climate change initially emphasized four Operational Programs that address long-term program priorities to mitigate climate change: the removal of barriers to energy conservation and energy efficiency; the promotion of renewable energy; the reduction of costs for low GHG technology; and promotion of sustainable transport. The GEF has supported limited activities to sequester carbon, but the goal of sequestering terrestrial carbon is largely a secondary benefit of projects in the biodiversity or land degradation focal areas.[13]

The guidance to the GEF on adaptation calls for the GEF to support Stage I and Stage II adaptation activities in the context of national communications. More recently, the Council has responded to guidance from COP7 and COP10 by approving resources for a Strategic Pilot on Adaptation (SPA) outside the RAF, intended to provide support for adaptation activities in the various focal areas in which GEF works.[14]

The Benefits Index for Climate Change (GBI_{CC}) is part of the Resource Allocation Framework (RAF). The RAF is used by the Global Environment Facility (GEF) for country-by-country indicative allocations of funds -- which can then be accessed by member countries in support of projects up to the limit of the country's allocation. Projects include initiatives in the area of climate change.

The fundamental objective of the GBI_{CC} is "to measure the potential global benefits that can be realized from climate change mitigation activities in a country." The performance

[13] GHG emissions from land use are less certain than GHG emissions from fossil fuel combustion. The World Resources Institute estimates that land use changes accounts for approximately 30% of total worldwide GHG emissions. See Climate Analysis Indicators Tool of the World Resources Institute. (cait.wri.org)

[14] In addition, the GEF operates the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), both of which support projects designed to meet countries adaptation needs. In future, the GEF is also to operate the Adaptation Fund.

data used for this purpose must be timely, comprehensive, and reliable. The whole scoring process must be transparent and as simple as possible.

The GEF recognizes that contributions to climate change through GHG emissions, the vulnerability to and impacts of climate change, and the ability to mitigate and adapt to climate change are not distributed uniformly across countries and that there are significant uncertainties in information. It attempts to use the best information available to balance humanity's interests regarding climate change at global, regional, and local scales against the requirements of country-driven programs responding largely to national interests rather than global ones.

The GBI_{CC} attempts to use the best comprehensive, reliable scientific information available to measure each country's potential contribution to the goals of the Climate Change program. It is constructed from two indicators: (i) baseline GHG emissions for the year 2000 in tons of carbon equivalent; and (ii) Carbon Intensity Adjustment Factor computed as the ratio of the carbon intensity in 1990 to the carbon intensity in 2000.

$$\mathbf{GBI_{CC} = Baseline\ GHG\ Emissions_{2000}\ x\ [Carbon\ Intensity_{1990} / Carbon\ Intensity_{2000}]}$$

Baseline GHG emission levels provides a broad measure of the scale of the mitigation potential of a country, while avoiding perverse incentives that result from using current level emissions. To ensure widest coverage among countries, the year 2000 is used as the base year. The inclusion of baseline GHG emission levels in the GBI results in a larger GEF Benefit Index for larger emitters. There are two reasons for using GHG emission levels. First, in general, countries with larger emissions have lower abatement costs, which increase less rapidly with abatement than those in countries with smaller emissions. Second, projects are likely to have greater demonstration and learning effects in high emitting countries than in countries with smaller levels of emissions, and thus potentially broader impact.

The carbon intensity of a country measures the tons of carbon equivalent emitted by a country per unit of economic activity (GDP). It changes over time because of (i) increased carbon efficiency brought about by changes in fuels or technology or economic growth; and (ii) structural shifts in the economy away from carbon intensive activities. There are two reasons for using change in carbon intensity. First, reducing emissions will be less costly in countries that have already demonstrated willingness and/or ability to reduce carbon intensity. Second, it rewards countries that have reduced their carbon intensity levels.

National communications to the UNFCCC provide information on GHG emissions inventories. At present, their coverage is still too limited to cover all of the countries eligible for GEF support in a consistent manner.[15] The RAF paper argues that because

[15] According to the approved RAF paper, "out of the 160 countries eligible for GEF support, only about 100 countries have provided national communications to the UNFCCC with details of the GHG inventory for a base year. While most of the initial national communications have been for the year 1994, a number of

they appear to be more comprehensive and comparable, standardized carbon emissions data available from the Climate Analysis Indicators Tool (CAIT) unit of the World Resources Institute are used in the calculation of the GEF Benefits Index.[16] The RAF paper also mentions that comparisons of the CAIT data with the corresponding data reported by countries in their national communications to the UNFCCC seem to show a high degree of correlation between the two datasets.

Only carbon emissions from fossil fuel combustion and cement and the emission of other GHG gases are included in the baseline GHG emissions. Specifically, GHG emissions associated with land use changes have not been included in the baseline figures. The distribution of baseline GHG emission levels (year 2000) across eligible GEF recipient countries is shown in Figure 1. Countries have been sorted based on their baseline GHG emission shares and are shown from left to right. For each country, the graph shows the percentage share of total GHG emission among the eligible GEF recipient countries. The distribution is concentrated, with 30 countries accounting for 85% of total GHG emissions, while the remaining 137 countries account for the remaining 15% of total GHG emissions.

The distribution of the carbon intensity adjustment factor, measured as the ratio of the carbon intensity in 1990 to that in 2000 is shown in Table 1. The carbon intensity in three-fourths of the countries has decreased during the 90's and increased in the remaining countries. While it has changed by less than 10% for many countries, the changes are quite substantial for a large number of countries. Carbon intensity has decreased by between 10% and 25% in 21 countries and by more than 25% in 39 countries during the 90's. In contrast, the carbon intensity has increased by between 10% and 25% in 12 countries and by more than 25% in 9 countries. The carbon intensity adjustment factor is not available for 22 countries. For these countries the GBI is solely based on the baseline GHG emissions with no adjustment for carbon intensity.

The distribution of the GEF Benefits Index for Climate Change, which includes the change in carbon intensity, is also shown in Figure 1. This distribution is quite similar to the distribution of baseline GHG emissions.

countries have reported their inventories for a different base year. The second national communications (SNC) should provide a more consistent basis for emissions data than did the first. However, this data will not be available for several years. In the future, information taken from inventories found in national communications may be used to generate the global benefits index for climate change".

[16] Additional information on the World Resource Institute's CAIT tool can be found at cait.wri.org.

Figure 1:

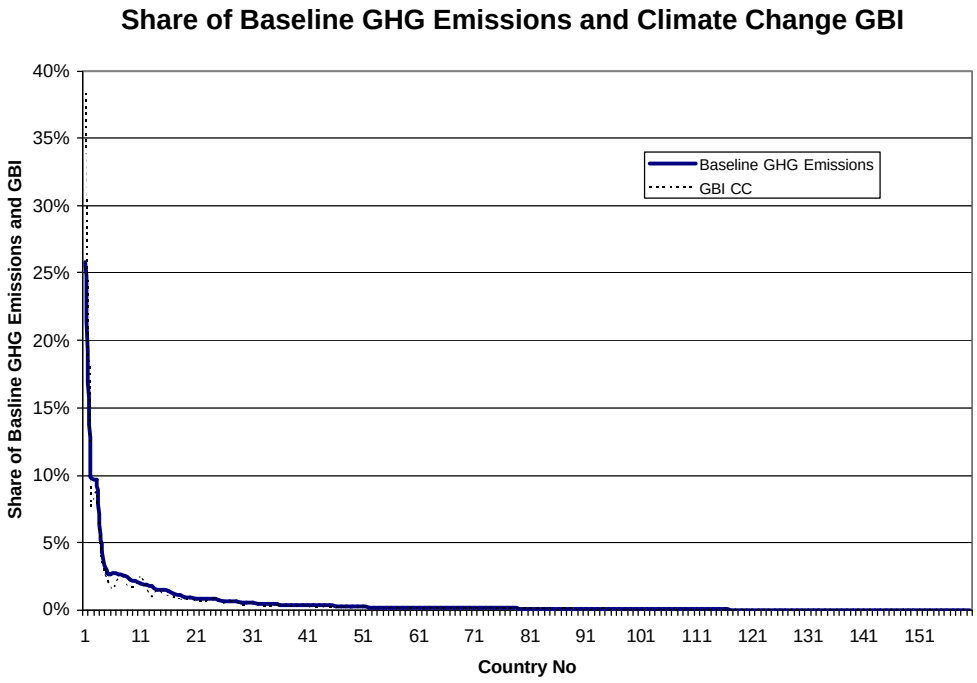


Table 1: Distribution of Carbon Intensity Adjustment Factor

Carbon Intensity Adjustment Factor	No of Countries
Greater than 2	4
1.25 to 2	35
1.1 to 1.25	21
1.0 to 1.1	39
0.9 to 1.0	18
0.75 to 0.9	12
0.5 to 0.75	9
Not available	22

Calculation of Indicative Allocations

GEF resources are allocated to member countries in proportion to their "allocation number". This is calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI):

$$\textbf{Allocation Number} = \textbf{GBI}^{0.8} \times \textbf{GPI}^{1.0}$$

About the GEF Performance Index (GPI)

The GEF Performance Index seeks to measure each country's capacity to successfully implement GEF programs and projects based on its current and past performance. The fundamental objectives of including the GPI in the RAF are to ensure that countries are

provided with an incentive for good performance and that funds are placed in countries where they are likely to be effective because of good government performance. Some key assumptions underlying the use of the GEF Performance Index (GPI) include:

Linking country performance to resources, along with other International Financial Institutions (IFIs), and making performance scores visible and transparent, will provide a significant incentive to improve performance.

The process of scoring country performance is tractable. For example, if country performance, either portfolio performance or policy/institutional performance, were unstable and inconsistent, it might be impossible for governments to see the link between their performance and the level of GEF funds made available to them; and there might be insurmountable practical difficulties in managing unpredictable country program budgets.

The GPI is a measure of each country's capacity to implement GEF programs and projects successfully, judging from its current and past performance. It is composed of three indicators of performance. That is, it contains three variables, as follows:

Country Environmental Policy and Institutional Assessment (CEPIA), with a weight of 70 percent in GPI. This variable is the score that the country had received in the latest World Bank Country Policy and Institutional Assessment (CPIA) for the "Policies and Institutions for Environmental Sustainability" criterion;

Broad Framework Indicator (BFI), sometimes called "governance", with a weight of 20 percent in GPI. The BFI is the simple average of a country's scores under five specific criteria in the World Bank's CPIA[17] – that is, scores on the "Public Sector Management and Institutions" cluster of criteria; and

Portfolio Performance Indicator (PPI). This variable has a weight of 10% in the GPI equally split between (a) an indicator developed from GEF project ratings contained in the annual Project Implementation Review and (b) an indicator developed from ratings by the World Bank's Independent Evaluation Group's Implementation Completion Reports for environment-related projects;

GPI = 0.1 PPI + 0.7 CEPIA + 0.2 BFI

The GPI number calculated in this way is an input to the RAF formula, along with the country's score on the GBI.

[17] The Country Policy and Institutional Assessment (CPIA) rates countries against a set of 16 criteria grouped in four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. The environment criterion assesses the extent to which environmental policies foster the protection and sustainable use of natural resources and the management of pollution. Assessment of environmental sustainability requires multi-dimension criteria (i.e., for air, water, waste, conservation management, coastal zones management, natural resources management).

Other Aspects of the RAF

(1) Individual and Pooled Allocations

Resources for each of the two focal areas (biodiversity and climate change) are allocated either to individual countries or to country pools. The countries with the largest potential allocations (the fewest countries whose indicative allocations will total 75% of total funds in that focal area) receive individual indicative allocations.

Resources for the other member countries are placed in a single pool. These countries can apply for grants up to a ceiling. That ceiling is fixed by the hypothetical indicative[18] allocation of the country in the pool that has the largest "potential" allocation – that is, the country that would have received the highest allocation if the pooled countries had, indeed, received individual allocations. The reason for having a single pool of resources for the countries that otherwise would have had very small individual allocations is to provide more flexibility in two ways. First, it avoids "locking in" allocations for countries that might be unlikely to apply for a grant at all during the current replenishment period; and, second, it enables the active members of the pool to access greater resources than the allocation that they would have received as individuals.

A minor provision, to contribute to predictability, is that a country that receives an individual allocation in the first two years of the replenishment period will continue to receive an individual allocation in the second two years, even if, under strict rules, it would have fallen into the general pool in the second period.

(2) Limitation on Front Loading

A country cannot receive more than 50% of its four-year indicative allocation in the first two years. If the country is part of a pool it cannot receive more than 50% of the maximum amount that it is eligible to receive from the pool. This is a significant constraint for all countries but especially for countries for whom 50% of an already small allocation might not reach the viable size for a project.

(3) Frequency of Allocation/Reallocation

In effect funds are allocated every two years. Half of the available funds are allocated at the beginning of the replenishment period and half at the mid-point (in July 2008 in the case of GEF 4). All allocations and reallocations use the same formula and procedures. Data (the values of the variables in the allocation formula) are updated to current values each time.

(4) Carry Over of Funds from Years 1 and 2 to Years 3 and 4

[18] Allocation is indicative in that they are not entitlements but rather indicate funds that may be available to the country given successful grant applications. See CEO Communication to GEF Focal Point August 8, 2006.

Funds that a country does not use during the first two years of the replenishment period are automatically carried over into the final two years. This is true of the pooled amounts as well. Therefore in the second two years of the replenishment period, each country will receive an allocation that is the total of two amounts: (1) a formula-based indicative allocation from the 50% of monies available for the second half of the replenishment period, and (2) any funds not used from their initial allocation during the previous two years.

About this Delphi Exercise:

You have been asked to participate in this Delphi exercise because of your knowledge in relevant subject matter areas. In general participants have been chosen for their expertise on climate change. Participants include representatives from both developing and developed countries. As much as possible, participants have been drawn from different stakeholder groups involved in the GEF, including member government representatives, researchers, private business people, representatives of NGOs, and representatives of donors and development organizations.

Please answer only those questions you feel comfortable answering; leave the others blank. All specific answers will remain anonymous during the Delphi exercise and afterwards, although the names of participants will be listed in the final report of the evaluation team.

The Delphi evaluation approach involves a panel of persons who address certain issues independently on the basis of their expertise, and then, perhaps in several iterations, have an opportunity to consider their position further in light of anonymous feedback of the general opinion of the group. The initial round of the Delphi exercise involves participants in making individual judgments on the questions asked. At the start of each subsequent iteration, the Delphi participants are provided with a synthesis of the earlier responses by fellow participants. Sometimes this synthesis will involve averages (of quantitative estimates), consensus views, an indication of the range of views, and other materials. Over the course of the Delphi exercise participants have the opportunity to adjust their responses if they wish, in the context of new information. It is not necessary that views across the panel be the same. Sometimes they converge as information becomes available; and sometimes they diverge as different points of view emerge.

The Delphi is designed to elicit your views in several areas of concern. The concerns are organized so as to obtain your responses concerning a) the data used in the GBI_{CC}, b) aspects of program effectiveness such as cost and sustainability that are not used to determine indicative allocations, c) transparency of the allocation process, d) the overall reasonableness of the indicative allocations derived using the RAF methodology, and e) the usefulness of the RAF in guiding decisions for funding Climate Change projects.

The protocol below lists points relevant to each concern, protocol questions, and -references for further reading if necessary. The questions ask for a response on a

numerical scale (1 to 10). You are invited to expand upon your numerical responses with text comments. In fact you are strongly encouraged to do so. Comments are very helpful in explaining responses; and especially helpful in making the Delphi iterations productive.

In each case, the first reference is always to "The GEF Resource Allocation Document" which was issued by the GEF in October 2005. This is the basic explanatory document for the RAF.

Please click on the following link to launch the protocol. You will be able to save your input at any time and return later to complete the process and/or to update your previous responses.

References (the following references apply throughout):

- The GEF Resource Allocation Framework" (November 2005)
- GEF Resource Allocation Framework: GEF Benefits Index for Climate Change (GBICC)
- Progress report on implementation of the RAF.
- List of Countries by GEF RAF Allocation band in the Climate Change Focal Area
- Table of Country GEF Benefits Indexes for Climate Change, Rankings, and Indicative Allocations (Table 2)

Table 2: Table of Country GBI_{cc} Rankings and Allocations

Country	GEF Benefits Index for Climate Change	Share of GBI	Indicative Allocation ($ million)	country score ranking
China	2413021	34.6%	150.0	1
India	666676	9.5%	74.9	2
Russian Federation	659602	9.4%	72.5	3
Brazil	252582	3.6%	38.1	4
Poland	188535	2.7%	38.1	5
Mexico	158525	2.3%	28.3	6
South Africa	120649	1.7%	23.9	7
Ukraine	137914	2.0%	18.9	8
Turkey	105462	1.5%	17.5	9
Iran, Islamic Rep.	116687	1.7%	16.5	10
Indonesia	133353	1.9%	16.3	11
Thailand	67952	1.0%	14.7	12
Romania	61227	0.9%	13.9	13
Kazakhstan	79903	1.1%	13.5	14

Argentina	79637	1.1%	13.3	15
Pakistan	78573	1.1%	13.2	16
Egypt, Arab Rep.	53139	0.8%	11.5	17
Malaysia	49014	0.7%	11.3	18
Uzbekistan	53866	0.8%	9.3	19
Nigeria	59109	0.8%	9.3	20
Colombia	46331	0.7%	8.9	21
Venezuela, RB	57328	0.8%	8.8	22
Bulgaria	31601	0.5%	8.5	23
Vietnam	44131	0.6%	8.5	24
Hungary	29767	0.4%	8.2	25
Belarus	42479	0.6%	7.9	26
Algeria	35755	0.5%	7.6	27
Bangladesh	38820	0.6%	6.7	28
Philippines	37221	0.5%	6.6	29
Korea, Dem. Rep.	30295	0.4%	6.4	30
Chile	23422	0.3%	6.1	31
Sudan	37913	0.5%	5.7	32
Slovak Republic	20441	0.3%	5.7	33
Ethiopia	23015	0.3%	4.9	34
Syrian Arab Republic	20567	0.3%	4.9	35
Tanzania	20835	0.3%	4.8	36
Peru	20595	0.3%	4.6	37
Cuba	13672	0.2%	4.2	38
Azerbaijan	20765	0.3%	4.1	39
Morocco	16250	0.2%	3.8	40
Kenya	16626	0.2%	3.4	41
Lithuania	9280	0.1%	3.4	42
Cambodia	18733	0.3%	3.3	43
Latvia	8403	0.1%	3.2	44
Bolivia	12941	0.2%	3.1	45
Uganda	11336	0.2%	3.1	46
Tunisia	9649	0.1%	GROUP19	47

19Remaining countries added as "GROUP".

Climate Change Delphi Protocol

Overall objective of the mid-term review:

To evaluate the degree to which resources (in the area of climate change) have been allocated to countries in a transparent and cost-effective manner based on global environmental benefits and country performance.

Concern 1: To what extent do the global environmental benefits indices relating to climate change reflect best available scientific data and knowledge?

Points of Reference:

- The global benefit index is defined by the formula:
  GBI_{CC} = Baseline GHG Emissions2000 x [Carbon Intensity1990 / Carbon Intensity2000]
- To ensure widest coverage among countries, the year 2000 is used as the base year for GHG emissions. This choice will influence the score.
- The carbon intensity of a country measures the tons of carbon equivalent emitted by a country per unit of economic activity (GDP). The choice of the years 1990 and 2000 will influence the score.
- Only carbon emissions from fossil fuel combustion and cement and the emission of other GHG gases are included in the baseline GHG emissions. GHG emissions associated with land use changes are not included.
- Coverage of GHG emissions in National communications to the UNFCCC is still too limited to cover all of the countries eligible for GEF support in a consistent manner.[20] Therefore, the Climate Analysis Indicators Tool (CAIT) unit of the World Resources Institute is used in the calculation of the GEF Benefits Index.

Questions for the Delphi Panel:

1.1 Does the GBI_{cc} make sense to you, given that;

Carbon Intensity = [GHG Emissions / GDP]

and given the choice of 2000 as the emissions base year, the formula may be rewritten:

GBICC = GHG Emissions1990 x [GDP2000 / GDP1990]

[20] According to the approved RAF paper, "out of the 160 countries eligible for GEF support, only about 100 countries have provided national communications to the UNFCCC with details of the GHG inventory for a base year. While most of the initial national communications have been for the year 1994, a number of countries have reported their inventories for a different base year. The second national communications (SNC) should provide a more consistent basis for emissions data than did the first. However, this data will not be available for several years. In the future, information taken from inventories found in national communications may be used to generate the global benefits index for climate change".

(i.e., Does GBI achieve what it sets out to do, by giving larger benefits to larger emitters and rewarding countries that reduce carbon intensity? Or does the formula simply reward high economic growth between 1990 and 2000? (10=makes good sense, 5=moderately good sense, 1= makes no sense)

Please provide your interpretation of what effect the formula has, either by analysis of the formula itself, or the resulting allocations in allocations to countries.

1.2 Which year provides the most accurate measure of scale of GHG emissions, in the above formula for GBI_{CC}? (1=2000, 2=1990; 3=last available year, 4=another year) (Comment: give reasons, if appropriate)

1.3 How appropriate is it to use ANNUAL GHG emissions as a broad indicator of country mitigation potential? (10=very useful, 5=moderately useful, 1=not useful) (Comment: If not useful, please state some alternatives)

1.4 How appropriate is it to use PER CAPITA GHG emissions?
(10=very useful, 5=moderately useful, 1-not useful)
(Comment: give reasons, if appropriate)

1.5 How appropriate is it to use HISTORICAL CUMULATIVE emissions?
(10=very useful, 5=moderately useful, 1-not useful) (Comment: give reasons, if appropriate)

1.6 How appropriate is it to use PER CAPITA NATIONAL INCOME or GDP?
(10=very useful, 5=moderately useful, 1-not useful) (Comment: give reasons, if appropriate)

1.7 How appropriate is it to use energy intensity as a measure of performance in mitigation? (10=very useful, 5=moderately useful,1=not useful) (Comment. If not useful, please state some alternatives.)

1.8 Does the ratio of years 1990 to 2000 provide the best measure of country improvement (worsening) in energy intensity? (2=yes,1=no) (Comment. If not, please indicate a better choice of years.)

1.9 How is energy intensity related to the following factors:
(a) Good Policies (10=strong,5=moderate,1=weak) (Comment)
(b) Structural economic changes (10=strong,5=moderate,1=weak) (Comment)
(c) Sudden crises (10=strong,5=moderate,1=weak) (Comment)

1.10 How is energy intensity related to the following factors:
(a) Renewable energy use (10=strong,5=moderate,1=weak) (Comment)
(b) Energy efficiency measures (10=strong,5=moderate,1=weak) (Comment)

1.11 Do you think the representation of sources of GHGs (e.g., fossil fuel use and cement production) in the indices is adequate? (10=Yes, 5=To a limited extent, 1=No) (Comment. If no, please list other sources, in decreasing order of importance.)

1.12 Do you think representation of gases in the indices is adequate? (10=yes, 5=to a limited extent, 1=no) (Comment. If no, please list other gases that you think should be included in decreasing order of importance.)

1.13 How relevant are efforts in CDM and carbon trading for the climate change index? (10=very, 5=moderately, 1=hardly)

1.14 Do you know of any further guidance from UNFCCC/IPCC that should be reflected in the climate change indices? 10=Yes there are, 5=Do not know, 1=There are none) (Comment)

Concern 2: Are the RAF indices and formula sufficiently transparent and/or equitable?

Points of Reference:

- The RAF is used by the Global Environment Facility (GEF) for country-by-country indicative allocations of funds -- which can then be accessed by member countries in support of projects up to the limit of the country's allocation. Indicative allocations of these resources are provided to GEF member countries in proportion to their country scores. These scores are calculated by a formula that has two components, the GEF Benefits Index (GBI) related to capacity (need and potential), and the GEF Performance Index (GPI) linked to readiness (demonstrated by portfolio performance and policy/institutional performance).
- Resources for each of the two focal areas (biodiversity and climate change) are allocated either to individual countries or to country pools. The countries with the largest potential allocations (the fewest countries whose indicative allocations will add to 75% of total funds in that focal area) receive individual indicative allocations.
- Resources for climate change have historically been allocated mostly to mitigation, while funding for adaptation has only been added recently.
- Resources for the other member countries are placed in a single pool. These countries can apply for grants up to a ceiling. That ceiling is fixed by the hypothetical indicative allocation of the country in the pool that has the largest "potential" allocation – that is, the country that would have received the highest allocation if the pooled countries had, indeed, received individual allocations
- A country cannot receive more than 50% of its four-year indicative allocation in the first two years. If the country is part of a pool it cannot receive more than 50% of the maximum amount that it is eligible to receive from the pool. This is a constraint for all countries but especially for countries with smaller allocations

Questions for the Delphi Panel:

2.1 In your opinion, is the current RAF climate change score too complex to make funding allocations transparent? (10 = agree strongly, 5= neutral, 1 = disagree strongly) (Comment - If you disagree, explain how it could be made simpler and more transparent)

2.2 Does the current RAF result in too great a concentration of funding for climate change (too large a share allocated to too few countries, per attached table)? (10 = far too much concentration, 5 = about right, 1 = far too little concentration) (Comment)

2.3 Would a more balanced distribution of GEF climate change funding result in greater mitigation of GHG emissions? (10 = substantially more, 5 = about the same, 1 = substantially less) (Comment)

2.4 Are the ceilings on climate change allocations appropriate for pool countries? (10 = Very appropriate, 5 = About right, 1 = Inappropriate) (Comment: Explain, as appropriate)

Concern 3: Does the RAF produce scores for countries that appropriately reflect their relative status in terms of climate change and performance?

Points of Reference:

- The fundamental objective of the GBI_{CC} is to provide country scores that indicate their performance relative to the GEF's Climate Change objectives. The performance data used for this purpose must be timely, comprehensive, and reliable. The whole scoring process must be transparent and as simple as possible.
- The GBI_{CC} attempts to use the best comprehensive, reliable scientific information available to measure each country's potential contribution to the goals of the Climate Change program. It is constructed from the formula given earlier (Concern 1), which uses two indicators: (i) baseline GHG emissions for the year 2000 in tons of carbon equivalent; and (ii) Carbon Intensity Adjustment Factor computed as the ratio of the carbon intensity in 1990 to the carbon intensity in 2000.

Questions for the Delphi Panel:

3.1 In the formula: **Country Score = $GBI^{0.8} \times GPI^{1.0}$;** how appropriate are the two exponents 0.8 and 1.0, used for weighting GBI and GPI, respectively (i.e., could the weights be changed to provide more accurate country scores)? (10 = very appropriate, 5 = about right, 1 = inappropriate) (Comment)

3.2 Consider two countries, one of which (A) scores twice as high in both climate change and performance as the other (B). The current RAF gives country A an overall score more than twice that of country B (specifically, $2^{1.8}$ or 3.48 times). To what extent is this comparative scoring appropriate? (10 = very appropriate, 5 = about right, 1 = inappropriate) (Comment)

3.4 Are there countries that qualify only for funding as group countries that you believe should qualify for funding individually? (10 = Yes there are, 5= Do not know, 1 = There are none) (Comment – If yes, please name those countries and give reasons why you believe their scores do not accurately reflect their potential for meeting the goals of the GEF.

3.5 Are there countries qualified for individual funding that you believe should not qualify for funding individually? (10 = Yes there are, 5= Do not know, 1 = There are none) (Comment – If yes, please name those countries and give reasons why you believe their scores do not accurately reflect their potential for meeting the goals of the GEF)

Concern 4: To what extent is the RAF designed to maximize global climate change benefits?

Points of Reference:

- The GEF recognizes that contributions to climate change through GHG emissions, the vulnerability to and impacts of climate change, and the ability to mitigate and adapt to climate change are not distributed uniformly across countries and that there are significant uncertainties in information. It attempts to use the best information available to balance humanity's interests regarding climate change at global, regional, and local scales against the requirements of country-driven programs responding largely to national interests rather than global ones.
- Only carbon emissions from fossil fuel combustion and cement and the emission of other GHG gases are included in the baseline GHG emissions. Specifically, GHG emissions associated with land use changes have not been included in the baseline figures.

Questions for the Delphi Panel:

4.1 Does the RAF provide adequate incentives for countries to improve their mitigation performance over time, both for individual and group climate change allocation countries? (10 = Yes, 5 = To a limited extent, 1 = No)$(Comment. Explain, as appropriate)

4.2 Should the RAF provide more (or less) opportunities than now, for positive interactions between climate and biodiversity work, or with other focal areas? (10 = More, 5 = Same, 1 = Less) (Comment: Explain, as appropriate)

4.3 Are the climate change indices flexible in terms of taking into account:

a) changes$in socioeconomic stability? (10 = Yes there are, 5 = Do not know, 1 = There are none) (Comment: Explain, as appropriate)

b) crisis and post-conflict situations? (10 = Yes there are, 5 = Do not know, 1 = There are none) (Comment: Explain, as appropriate)

c) changes in the underlying indicators? (10 = Yes there are, 5 = Do not know, 1 = There are none) (Comment: Explain, as appropriate)

Concern 5: How might the financial mechanism of the Convention best provide balance in funding for adaptation and mitigation?

Points of Reference:

- There is increasing prominence of adaptation and vulnerability to climate change impacts in climate policy and negotiations.
- There is a perceived need for scaling up funding for adaptation and vulnerability reduction

Questions for the Delphi Panel:

5.1 Should more be done to balance funding between adaptation and mitigation in developing countries? (10=Yes, 5=About right, 1=No) (Comment)

5.2 If most of the funds under the GBI_{cc} go to mitigation in larger developing countries (i.e. those with more emissions), should most of the funding for adaptation go to the most vulnerable countries? (10 = Yes, 5 = To a limited extent, 1 = No)

5.3 If you agree with 5.2 above, should vulnerability be defined broadly as a principle to guide funding under RAF , or should a vulnerability index be constructed? (10 = vulnerability principle, 5 = either one, 1 = vulnerability index)

5.4 Could categories of vulnerable countries, e.g. LDCs, SIDS, African countries, be used for guidance on vulnerability and funding levels? (10 = Yes, 5 = To a limited extent, 1 = No) (Comment: If so, explain how?)

5.5 Do you know of any measures of mitigation impacts on adaptation that should be reflected in the climate change indices (e.g., due to afforestation, biomass projects, etc.)? (10=Yes there are, 5=Do not know, 1=There are none) (Comment)

5.6 Do you know of any measures of mitigation impacts relating to human vulnerability or social impacts (e.g., poverty alleviation, employment, etc.) that should be reflected in the climate change indices? (10=Yes there are,5=Do not know,1=There are none) (Comment)

Concern 6: What recent developments in the area of climate change, both within the GEF and elsewhere, should be taken into account in considering potential changes in the RAF or the way it is implemented?

Points of Reference:

- RAF attempts to use the best information available to balance humanity's interests regarding climate change at global, regional, and local scales against the requirements of country-driven programs responding largely to national interests rather than global ones.
- The GBI_{CC} attempts to use the best comprehensive, reliable scientific information available to measure each country's potential contribution to the goals of the Climate Change program.
- GHG emissions from land use are less certain than GHG emissions from fossil fuel combustion. The World Resources Institute estimates that land use changes accounts for approximately 30% of total worldwide GHG emissions. See Climate Analysis Indicators Tool of the World Resources Institute. (cait.wri.org)
- The GEF recognizes that contributions to climate change through GHG emissions, the vulnerability to and impacts of climate change, and the ability to mitigate and adapt to climate change are not distributed uniformly across countries and that there are uncertainties in information.

Questions for the Delphi Panel:

6.1 Do you know of any other performance-based allocation systems in the climate change area, and experience in using them, that should be taken into account? (10 = Yes there are, 5 = Do not know, 1 = There are none) (Comment: Explain, as appropriate)

Concern 7: How could the climate change data sources be improved?

Points of Reference:

- National communications to the UNFCCC provide information on GHG emissions inventories. At present, their coverage is still too limited to cover all of the countries eligible for GEF support in a consistent manner.
- Comparisons of the CAIT data with the corresponding data reported by countries in their national communications to the UNFCCC seem to show a high degree of correlation between the two datasets.

Questions for the Delphi Panel:

7.1. Do you agree with the use of WRI-CAIT to calculate GEF Benefit Index over GHG emissions inventories from National Communications? (10 = Yes, 5 = To a limited extent, 1 = No) (Comment. Explain, as appropriate)

7.2. Is the correlation between WRI-CAIT and GHG emission inventories strong enough? (10 = Yes, 5 = To a limited extent, 1 = No) (Comment. Explain, as appropriate)

7.3 Do you know of any new climate change databases, indices or other information sources available that should be taken into account (e.g., in the UN, think-tanks, universities, NGOs, etc)? (10 = Yes there are, 5 = Do not know, 1 = There are none) (Comment: Explain, as appropriate)

7.4 Would it be possible to compile a database similar to CAIT-UNFCCC (which includes only information from national communications of Annex I countries) ?(10 = Yes, 5 = To a limited extent, 1 = No) (Comment. Explain, as appropriate)

7.5 Should other data be used, e.g. annually published data of the IEA? (10 = Yes, 5 = Do not know, 1 = No) (Comment. Explain, as appropriate)

Concern 8: Is the information used to guide funding allocations relevant for guiding selection of specific climate change projects?

Points of Reference:

- The GEF allocation system is, like those used by several other multilateral funds, a two-stage process. As a first stage, an indicative allocation is calculated for each member country. As a second stage, each country proposes projects for grants within its indicative allocation
- The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and

potential) and readiness (demonstrated by portfolio performance and policy/institutional performance).

- The GBI_{CC} attempts to use the best comprehensive, reliable scientific information available to measure each country's potential contribution to the goals of the Climate Change program. The fundamental objective of the GBI_{CC} is to provide country scores that indicate their performance relative to the GEF's Climate Change objectives.

Questions for the Delphi Panel:

8.1 If the relevant information contained in a country's GBI_{CC} was used to guide the selection of specific climate change projects, would it lead to better projects? (10 = Yes, 5 = To a limited extent, 1 = No) (Comment. Explain, as appropriate in terms of effectiveness and better results)

9.3 Performance Protocol

About the GEF Performance Index (GPI)

The GEF Performance Index seeks to measure each country's capacity to successfully implement GEF programs and projects based on its current and past performance. The fundamental objectives of including the GPI in the RAF are to ensure that countries are provided with an incentive for good performance and that funds are placed in countries where they are likely to be effective because of good government performance. Some key assumptions underlying the use of the GEF Performance Index (GPI) include:

- Linking country performance to resources, along with other International Financial Institutions (IFIs), and making performance scores visible and transparent, will provide a significant incentive to improve performance.

- The process of scoring country performance is tractable. For example, if country performance, either portfolio performance or policy/institutional performance, were unstable and inconsistent, it might be impossible for governments to see the link between their performance and the level of GEF funds made available to them; and there might be insurmountable practical difficulties in managing unpredictable country program budgets.

The GPI is a measure of each country's capacity to implement GEF programs and projects successfully, judging from its current and past performance. It is composed of three indicators of performance. That is, it contains three variables, as follows:

(g) Country Environmental Policy and Institutional Assessment (CEPIA), with a weight of 70 percent in GPI. This variable is the score that the country had received in the latest World Bank Country Policy and Institutional Assessment (CPIA) for the "Policies and Institutions for Environmental Sustainability" criterion.;

(h) Broad Framework Indicator (BFI), sometimes called "governance", with a weight of 20 percent in GPI. The BFI is the simple average of a country's scores under five specific criteria in the World Bank's CPIA[21] – that is, scores on the "Public Sector Management and Institutions" cluster of criteria; and

[21] The Country Policy and Institutional Assessment (CPIA) rates countries against a set of 16 criteria grouped in four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. The environment criterion assesses the extent to which environmental policies foster the protection and sustainable use of natural resources and the management of pollution. Assessment of environmental sustainability requires multi-dimension criteria (i.e. for air, water, waste, conservation management, coastal zones management, natural resources management).

(i) Portfolio Performance Indicator (PPI). This variable has a weight of 10% in the GPI equally split between (a) an indicator developed from GEF project ratings contained in the annual Project Implementation Review and (b) an indicator developed from ratings by the World Bank's Independent Evaluation Group's Implementation Completion Reports for environment-related projects;

GPI = 0.1 PPI + 0.7 CEPIA + 0.2 BFI

The GPI number calculated in this way is an input to the RAF formula, along with the country's score on the GBI.

Other Aspects of the RAF

(1) Individual and Pooled Allocations

Resources for each of the two focal areas (biodiversity and climate change) are allocated either to individual countries or to country pools. The countries with the largest potential allocations (the fewest countries whose indicative allocations will total 75% of total funds in that focal area) receive individual indicative allocations.

Resources for the other member countries are placed in a single pool. These countries can apply for grants up to a ceiling. That ceiling is fixed by the hypothetical indicative[22] allocation of the country in the pool that has the largest "potential" allocation – that is, the country that would have received the highest allocation if the pooled countries had, indeed, received individual allocations. The reason for having a single pool of resources for the countries that otherwise would have had very small individual allocations is to provide more flexibility in two ways. First, it avoids "locking in" allocations for countries that might be unlikely to apply for a grant at all during the current replenishment period; and, second, it enables the active members of the pool to access greater resources than the allocation that they would have received as individuals.

A minor provision, to contribute to predictability, is that a country that receives an individual allocation in the first two years of the replenishment period will continue to receive an individual allocation in the second two years, even if, under strict rules, it would have fallen into the general pool in the second period.

(2) Limitation on Front Loading

A country cannot receive more than 50% of its four-year indicative allocation in the first two years. If the country is part of a pool it cannot receive more than 50% of the maximum amount that it is eligible to receive from the pool. This is a significant

[22] Allocation is indicative in that they are not entitlements but rather indicate funds that may be available to the country given successful grant applications. See CEO Communication to GEF Focal Point August 8, 2006.

constraint for all countries but especially for countries for whom 50% of an already small allocation might not reach the viable size for a project.

(3) Frequency of Allocation/Reallocation

In effect funds are allocated every two years. Half of the available funds are allocated at the beginning of the replenishment period and half at the mid-point (in July 2008 in the case of GEF 4). All allocations and reallocations use the same formula and procedures. Data (the values of the variables in the allocation formula) are updated to current values each time.

(4) Carry Over of Funds from Years 1 and 2 to Years 3 and 4

Funds that a country does not use during the first two years of the replenishment period are automatically carried over into the final two years. This is true of the pooled amounts as well. Therefore in the second two years of the replenishment period, each country will receive an allocation that is the total of two amounts: (1) a formula-based indicative allocation from the 50% of monies available for the second half of the replenishment period, and (2) any funds not used from their initial allocation during the previous two years.

GEF Resource Allocation Framework (RAF)
GEF Performance Index (GPI)

About the Resource Allocation Formula (RAF)

In February 2007 the Global Environment Facility (GEF) approved a Resource Allocation Framework (RAF).[1] As is the case with several multilateral funds, the GEF allocation system is a two-stage process. As a first stage, an indicative allocation is calculated for each member country. As a second stage, each country proposes projects for grants within its indicative allocation.

The RAF covers two focal areas that together account for more than two-thirds of GEF disbursements – that is, Biodiversity and Climate Change. Four other focal areas are not subject to the Resource Allocation Framework at this time.[2] Each of the two focal areas subject to RAF have approximately US$1 billion to allocate among recipient countries for four years of project activity, 2007-2010 (GEF 4). Funds in each of the two areas are allocated separately – that is, there is no competition for funds across the focal areas. However there are certain exclusions; and individual country allocations are constrained by a minimum (a floor) and maximum (a ceiling).[3]

Indicative allocations of these resources are provided to GEF member countries in proportion to their country scores. These scores are calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI).

The fundamental objective of the RAF is to allocate resources in a way that will result in the most effective actions by member countries on climate change and biodiversity. To this end, the RAF takes into account both capacity (need and potential) and readiness (demonstrated by portfolio performance and policy/institutional performance).

About the GEF Benefits Index (GBI)

The GEF Benefits Index is a measure of the potential of each country to generate global environmental benefits in a particular focal area. For purposes of the RAF, separate indices have been developed to measure a country's potential to generate global environmental benefits in the focal areas of biodiversity and climate change.

About the GEF Performance Index (GPI)

The GEF Performance Index seeks to measure each country's capacity to successfully implement GEF programs and projects based on its current and past performance. The fundamental objectives of including the GPI in the RAF are to ensure that countries are provided with an incentive for good performance and that funds are placed in countries where they are likely to be effective because of good government performance. Some key assumptions underlying the use of the GEF Performance Index (GPI) include:

- Linking country performance to resources, along with other International Financial Institutions (IFIs), and making performance scores visible and transparent, will provide a significant incentive to improve performance.

- The process of scoring country performance is tractable. For example, if country performance, either portfolio performance or policy/institutional performance, were unstable and inconsistent, it might be impossible for governments to see the link between their performance and the level of GEF funds made available to them; and there might be insurmountable practical difficulties in managing unpredictable country program budgets.

The GPI is a measure of each country's capacity to implement GEF programs and projects successfully, judging from its current and past performance. It is composed of three indicators of performance. That is, it contains three variables, as follows:

(a) Country Environmental Policy and Institutional Assessment (CEPIA), with a weight of 70 percent in GPI. This variable is the score that the country had received in the latest World Bank Country Policy and Institutional Assessment (CPIA) for the "Policies and Institutions for Environmental Sustainability" criterion.;

(b) Broad Framework Indicator (BFI), sometimes called "governance", with a weight of 20 percent in GPI. The BFI is the simple average of a country's scores

under five specific criteria in the World Bank's CPIA – that is, scores on the "Public Sector Management and Institutions" cluster of criteria.; and

(c) Portfolio Performance Indicator (PPI). This variable has a weight of 10% in the GPI equally split between (a) an indicator developed from GEF project ratings contained in the annual Project Implementation Review and (b) an indicator developed from ratings by the World Bank's Independent Evaluation Group's Implementation Completion Reports for environment-related projects;

GPI = 0.1 PPI + 0.7 CEPIA + 0.2 BFI

The GPI number calculated in this way is an input to the RAF formula, along with the country's score on the GBI.

Other Aspects of the RAF

(1) Individual and Pooled Allocations

Resources for each of the two focal areas (biodiversity and climate change) are allocated either to individual countries or to country pools. The countries with the largest potential allocations (the fewest countries whose indicative allocations will add to 75% of total funds in that focal area) receive individual indicative allocations.

Resources for the other member countries are placed in a single pool. These countries can apply for grants up to a ceiling. That ceiling is fixed by the hypothetical indicative[4] allocation of the country in the pool that has the largest "potential" allocation – that is, the country that would have received the highest allocation if the pooled countries had, indeed, received individual allocations. The reason for having a single pool of resources for the countries that otherwise would have had very small individual allocations is to provide more flexibility in two ways. First, it avoids "locking in" allocations for countries that might be unlikely to apply for a grant at all during the current replenishment period; and, second, it enables the active members of the pool to access greater resources than the allocation that they would have received as individuals.

A minor provision, to contribute to predictability, is that a country that receives an individual allocation in the first two years of the replenishment period will continue to receive an individual allocation in the second two years, even if, under strict rules, it would have fallen into the general pool in the second period.

(2) Limitation on Front Loading

A country cannot receive more than 50% of its four-year indicative allocation in the first two years. If the country is part of a pool it cannot receive more than 50% of the maximum amount that it is eligible to receive from the pool. This is a significant constraint for all countries but especially for countries for whom 50% of an already small allocation might not reach the viable size for a project.

(3) Frequency of Allocation/Reallocation

In effect funds are allocated every two years. Half of the available funds are allocated at the beginning of the replenishment period and half at the mid-point (in July 2008 in the case of GEF 4). All allocations and reallocations use the same formula and procedures. Data (the values of the variables in the allocation formula) are updated to current values each time.

(4) Carry Over of Funds from Years 1 and 2 to Years 3 and 4

Funds that a country does not use during the first two years of the replenishment period are automatically carried over into the final two years. This is true of the pooled amounts as well. Therefore in the second two years of the replenishment period, each country will receive an allocation that is the total of two amounts: (1) a formula-based indicative allocation from the 50% of monies available for the second half of the replenishment period, and (2) any funds not used from their initial allocation during the previous two years.

Delphi Panel Protocol

Concern 1: Is there an appropriate balance between the GEF Benefits Index and the GEF Performance Index in the Resource Allocation Framework?

Points of Reference:

- GEF resources are allocated to member countries in proportion to their "allocation number". This is calculated by a formula that has two components, the GEF Benefits Index (GBI) and the GEF Performance Index (GPI):
  $$\text{Allocation Number} = GBI^{0.8} \times GPI^{1.0}$$
- GBI (potential benefits) is an index that measures each country's potential to generate global environmental benefits.**[5]** GPI (performance) is an index that measures each country's performance. The GPI seeks to measure each country's capacity to successfully implement GEF programs and projects based on its current and past performance.

Question for the Delphi Panel:

1.1 To what extent are the relative weights of the GBI and the GPI appropriate? (Respond based on the following scale: 10=to a great extent, 1=to a minimum extent) (Comment)

References:

- The GEF Resource Allocation Framework, GEF Performance Index, p.2 and Annex 3

- GEF Resource Allocation Framework: Equations and Weights
- GEF Country Portfolio Evaluation-Pilot Phase, Example

Concern 2: Do Exclusions, the Group Allocation, or Targeted Supplements impair the achievement of GEF objectives?

Points of Reference:

- The total of exclusions, the indicative allocation to the group of countries ("pool"), and any additional targeted supplements will not exceed 25% of the resources in each focal area.
- Exclusions total 10 % and include 5% for global and regional projects and 5% for use for a small grants program and cross cutting capacity building programs.
- A group allocation is made to the remaining countries after country specific allocations are made to the highest ranked countries whose cumulative adjusted allocations equal 75% of the total resources in each focal area. Countries in the group have collective access to a pool of resources for countries in the group in each focal area. For each focal area, the upper limit on approved projects for any country in the group is equal to the adjusted allocation for the highest ranked country in the group.
- A targeted supplement is made to each country whose preliminary indicative allocation is less than $1 million so that the country will have a minimum adjusted indicative allocation of $1 million.

Questions for the Delphi Panel:

Exclusions:

2.1 To what extent does the exclusion of some resources impair the achievement of GEF objectives? (10=to a great extent, 1=to a minimum extent) (Comment)

2.2 To what extent, if any, should funds targeted for capacity building be increased or decreased? (10=increase to the maximum extent possible, 5=no change recommended, 1=decrease to maximum extent possible) (Comment)

2.3 To what extent, if any, should funds targeted for global and regional projects be increased or decreased? (10= increase to the maximum extent possible, 5=no change recommended,1=decrease to the maximum extent possible) (Comment)

Group Allocation and Targeted Supplements:

2.4 To what extent do the group allocation and targeted supplements improve or impair the achievement of GEF objectives? (10=improved to a great extent, 1=impaired to a significant extent) (Comment)

References:

- The GEF Resource Allocation Framework, Exclusions, pp. 3-6
- IDA's Performance-Based Allocation System: Options for Simplifying the Formula and Reducing Volatility

Concern 3: Does the use of ceilings, floors, and flow of funds controls (limitations on front loading) aid or impair the achievement of program objectives?

Points of Reference:

- For each focal area no country is allocated more than the country ceiling for the focal area (10% of total resources for biodiversity and 15% for climate change).
- Commitments made to a country if it receives individual allocations during the first half of a replenishment period (typically 2 years) will not exceed 50% of the indicative allocations of the country for the entire replenishment period.
- A country that receives an individual allocation in the first half of the replenishment period will continue to receive an individual allocation in the second half of the replenishment period.
- At the mid-point of a replenishment period, the indicative allocation for an individual country and the group will be adjusted for the remainder of the replenishment period by applying the RAF formula with updated data to the remaining amount of the resources available for each focal area.

Questions for the Delphi Panel:

3.1 To what extent does the use of ceilings and flow of funds controls impair the achievement of environmental benefits? (10=to a great extent, 1=to a minimum extent) (Comment)

3.2 To what extent is it appropriate to protect countries' individual allocations for the full 4-year replenishment period even if a country would otherwise have been moved to the group as a result of the mid-term reallocation? (10=to a great extent, 1=to a minimum extent) (Comment)

3.3 To what extent is a reallocation every two years sufficiently frequent? (10=to a great extent, 1=to a minimum extent) (Comment)

3.4 To what extent should countries be able to access 100% of their allocations in the first two years in order to fund a viable project? (10=to a great extent, 1=to minimum extent) (Comment)

3.5 To what extent should the flow of funds be slowed down if projects are not achieving performance objectives? (10=to a great extent, 1=to minimum extent) (Comment)

Reference:

- The GEF Resource Allocation Framework, p. 6

Concern 4: Are the indicators used to assess country policy and institutional performance appropriate components of the GEF Performance Index and are they given appropriate weight in the allocation formula?

Points of Reference:

- 90% of the GPI is accorded to country performance assessment. This weighting arises from the view that quality of policies and institutions (governance) is crucial to the success of GEF objectives. 70% is accorded to the Country Environmental Policy and Institutional Assessment Indicator (CEPIA) and 20% is assigned to the Broad Framework Indicator.
- The CEPIA covers policies in six areas: air pollution, water pollution, solid and hazardous waster, ecosystem conservation and biodiversity protection, marine and coastal resources, freshwater resources and commercial natural resources.
- The five indicators used by the BFI are property rights and rule-based governance, quality of budgetary and financial management, efficiency of revenue mobilization, quality of public administration, and transparency, accountability, corruption in public sector.
- In each case, the indicators used by the CEPIA and the BFI represent a choice to use some possible indicators and not others. A total of ten indicators that are not as directly applicable to environmental concerns are nevertheless available within CPIA are not used by the CEPIA or the BFI.
- There has been debate among Council members about the indicators that are relevant in computing the GPI particularly as regards the broad framework indicator.

Questions for the Delphi Panel:

Country Policy and Institutional Performance: Overall Questions:

4.1 To what extent do the CEPIA and BFI make use of best practices in performance measurement? (10=to a great extent, 1-to a minimum extent) (Comment)

4.2 To what extent are indicators available within CPIA but not used by either the CEPIA or the BFI relevant and therefore should be considered for use within the CEPIA or the BFI? (10=to a great extent, 1=to a minimum extent) (Comment)

4.3 To what extent does country policy and institutional performance have an appropriate weight in the GEF's resource allocation formula? (10=to a great extent,1=to a minimum extent) (Comment)

4.4 Are there other policy and institutional performance indicators available outside of the World Bank's CPIA that should be considered for inclusion in the GPI? (Yes=2,no=1) (Comment)

Country Environmental Policy and Institutional Assessment Indicator (CEPIA):

4.5 Are the CEPIA scores likely to be a useful partial measure of a country's ability to successfully implement GEF projects? (10=to a great extent, 1=to a minimum extent) (Comment)

4.6 To what extent do you think GEF's use of the CEPIA scores is likely to provide an incentive for countries to improve their performance in the future? (10=to a great extent, 1=to a minimum extent) (Comment)

4.7 To what extent does CEPIA relate to countries' abilities to implement GEF projects that are sensitive to women in order to produce sustained global environmental benefits? (10=to a great extent,1=to a minimum extent) (Comment)

4.8 To what extent does CEPIA relate to countries' abilities to implement GEF projects that are sensitive to the poor in order to produce sustained global environmental benefits? (10=to a great extent,1=to a minimum extent) (Comment)

4.9 To what extent do the CEPIA scores appear to be transparent and thus understood by GEF participants? (10=to a great extent, 1=to a minimum extent) (Comment)

4.10 To what extent are the CEPIA scores relevant to identifying those situations where GEF funds are likely to be used well? (10=to a great extent, 1=to a minimum extent) (Comment)

Broad Framework Indicator (BFI):

4.11 Are the BFI scores likely to be a useful partial measure of a country's ability to successfully implement GEF projects and thereby produce sustained global environmental benefits? (10=to a great extent, 1=to a minimum extent) (Comment)

4.12 To what extent do you think GEF's use of the BFI scores is likely to provide an incentive for countries to improve their performance in the future? (10=to a great extent, 1=to a minimum extent) (Comment)

4.13 To what extent do the BFI scores appear to be transparent and thus understood by GEF participants? (10=to a great extent, 1=to a minimum extent) (Comment)

4.14 To what extent are the BFI scores relevant to identifying those situations where GEF funds are likely to be used well? (10=to a great extent, 1=to a minimum extent) (Comment)

References:

- The GEF Resource Allocation Framework, p. 22 and Annex 3
- IDA's Performance-Based Allocation System: Options for Simplifying the Formula and Reducing Volatility
- Overview Existing Framework of Governance Indicators

Concern 5: Is portfolio performance, as used in the RAF, measured as precisely as possible; and is it given the appropriate weight in the allocation formula?

Points of Reference:

- A total weight of 10% in GPI is accorded to the Portfolio Performance Indicator.
- Half of this weight (5%) is derived from the average GEF project ratings for each country in the Project Implementation Review (PIR). The "project rating" is based on two things: (1) development objectives (DO) ratings for all projects implemented since 1999; and (2) implementation progress (IP) ratings for all projects implemented since 1999. A simple average of the available project ratings is used.
- The other half of the weight (5%) is based on ratings by the World Bank Independent Evaluation Group of environmental projects completed during the past 10 years. These ratings are based on Implementation Completion Reports

(ICRs) for projects identified by the World Bank as environmental projects. A simple average of the available project ratings for each country is used

- Ideally, project and portfolio performance should be assessed against a results-based framework. The GEF has some limitations in this regard. For example, there are no GEF country portfolio evaluations as such. The GEF does not have country programs. A partial exception is the biodiversity focal area, which has established a system to monitor portfolio performance in terms of coverage achieved and outcomes delivered. This information was available for three years prior to 2005 and was included in the 2005 PIR.
- In those cases where complete PPI data is not available for a country, that country's RAF score will be based on the CPIA component only. This may convey a benefit on some countries.
- Most IFIs (with the exception of the Caribbean Development Bank) base their portfolio performance indicator on "percentage of projects at risk". They use a conversion table to convert "percentage projects at risk" to a country portfolio performance score on a scale of 1 to 6. This approach has advantages and disadvantages compared with using average measures of performance for all projects. In general the "projects at risk" approach makes the range of country performance wider and tends to make the distribution of country performance bimodal rather than continuous. That is, many countries have no projects at risk and thus receive the highest PPI score possible and a few countries have some projects at risk and tend to get very low PPI scores. The GEF (and CDB) approach that uses performance data for all projects tends to result in country scores that are more evenly distributed over the whole performance scale.
- The PPI is measured over a long period of time (approximately 10 years from 1999 to 2008). Therefore it tends to produce reasonably stable scores (as compared with other organization systems that use the current or most recent year, and which therefore tend to produce volatile scores). On the other hand, the incentive effect is less if the score is difficult to change.
- For all these indicators, data is available annually, but the RAF updates the indices every two years, using the latest available data. This lag could conceivably have an effect on incentives.

Questions for the Delphi Panel:

The Portfolio Performance Indicator: Overall Questions

5.1 To what extent is the PPI likely to be an accurate measure of a country's ability to implement GEF projects successfully? (10=to the maximum extent, 1=to a minimum extent) (Comment)

5.2 To what extent does the PPI have an appropriate weight in the GEF's resource allocation formula? (10=to the maximum extent, 1=to a minimum extent) (Comment)

5.3 To what extent is the use of average performance scores for whole portfolios superior to an indicator of portfolio performance based on the percentage of projects at risk? (10=to a great extent,1=to a minimum extent) (Comment)

5.4 To what extent do you think it advisable to shorten the period over which the Portfolio Performance Indicator scores are averaged? (10=to a great extent, 1=to a minimum extent) (Comment)

5.5 Are there other variables that would be good substitutes or complements for the existing portfolio performance variable in the RAF formula? (1=yes,2=no) (Comment)

Project Implementation Review:

5.6 Are the PIR scores likely to be a useful partial measure of a country's ability to successfully implement GEF projects? (10=to a great extent, 1=to a minimum extent) (Comment)

5.7 Are the PIR scores compromised as measures of country performance because they depend significantly on the GEF's own performance, and the performance of its implementing agencies, rather than performance by the country government and its agencies? (10=to a great extent, 1=to a minimum extent) (Comment)

5.8 To what extent does it matter if annual project or portfolio ratings produce year-to-year volatility in results? (10=to a great extent, 1=to a minimum extent) (Comment)

5.9 To what extent do you think the PIR in the RAF is likely to provide an incentive for countries to improve their performance in the future? (10=to a great extent, 1=to a minimum extent) (Comment)

5.10 To what extent does the PIR appear to be transparent and thus understood by GEF participants? (10=to a great extent, 1=to a minimum extent) (Comment)

5.11 To what extent is the PIR relevant to identifying those situations where GEF funds are likely to be used well? (10=to a great extent, 1=to a minimum extent) (Comment)

World Bank Environmental Projects:

5.12 To what extent are the World Bank project implementation scores likely to be a useful partial measure of a country's ability to successfully implement GEF projects? (10=to a great extent, 1=to a minimum extent) (Comment)

5.13 To what extent are the World Bank project implementation scores compromised as measures of country performance because they depend significantly on the World Bank's own performance, rather than performance by the country government and its agencies? (10=to a great extent, 1=to a minimum extent) (Comment)

5.14 To what extent do you think GEF's use of the World Bank project implementation scores is likely to provide an incentive for countries to improve their performance in the future? (10=to a great extent, 1=to a minimum extent) (Comment)

5.15 To what extent do the World Bank project implementation scores appear to be transparent and thus understood by GEF participants? (10=to a great extent, 1=to a minimum extent) (Comment)

5.16 To what extent are the World Bank project performance scores on completion relevant to identifying those situations where GEF funds are likely to be used well? (10=to a great extent, 1=to a minimum extent) (Comment)

References:

- The GEF Resource Allocation Framework, GEF Performance Index, p.2
- GEF Country Portfolio Evaluation-Pilot Phase, Example
- Managing for Results-Biodiversity
- Format of the WB Implementation Completion Report (ICR)
- Format of a Performance Implementation Review (PIR)
- Example of a PIR

Concern 6: Overall does the GEF Performance Index (GPI) of the Resource Allocation Framework (RAF) use best practices to guide the allocation of resources?

Points of Reference:

- The objective of the RAF is to use indices which represent "best practices" to guide the allocation of resources.
- Best practices in resource allocation systems for public programs are those that clearly reflect the intended benefits of public programs, are supported by adequate and timely data, and are transparent in revealing the basis for decisions concerning the allocation of resources.

Questions for the Delphi Panel:

6.1 Overall, to what extent does the GPI use best practices in its indices? (10=to the maximum extent, 1=to the minimum extent) (Comment)

6.2 Overall, to what extent are the GPI indices supported by technically adequate and timely data? (10=to the maximum extent, 1=to the minimum extent) (Comment)

6.3 Overall, to what extent does the GPI provide a transparent basis for resource allocation decisions? (10=to a maximum extent,1=to a minimum extent) (Comment)

6.4 Overall, to what extent is the GPI effective in maximizing global environmental benefits? (10=to the maximum extent, 1=to the minimum extent) (Comment)

References:

- The GEF Resource Allocation Framework, Background, p.1
- The European Commission, Guidelines for the use of Indicators in country performance assessment, Choice of the indicators, pp. 3-6
- Wikipedia, Best Practice entry

[1] Global Environmental Facility. Technical Paper on the GEF Resource Allocation Framework. GEF/c.26/2/Rev.1 August 24, 2005.
[2] The four focal areas that are currently outside the RAF are (1) International waters; (2) Sustainable Land Management; (3) Persistent Organic Pollutants and (4) Ozone.
[3] Exclusions include: (a) Global and Regional Projects. Five percent of the resources available for each of the focal areas is set aside for global and regional projects; (b) five percent is set aside for the small grants program and cross-cutting capacity building; and (c) Floors. For each focal area, one million dollars is set aside as a minimum indicative allocation for each eligible country. Many countries use this basic amount to meet their reporting responsibilities under various conventions. The funds may also be used to fund a country's share of crosscutting capacity building activities supported by the GEF. (d) Ceilings. No country is allocated more than 10% (biodiversity) or 15% (climate change) of the total resources available to that focal area for the replenishment period.
[4] Allocation is indicative in that they are not entitlements but rather indicate funds that may be available to the country given successful grant applications. See CEO Communication to GEF Focal Point August 8, 2006.
[5] The GBI is a measure of the potential of each country to generate global environmental benefits in the biodiversity and climate change (only based on mitigation of greenhouse gasses) focal areas.

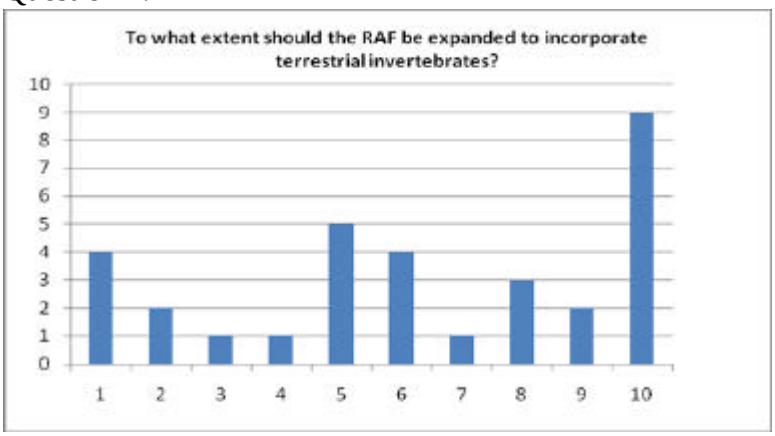
10. Appendix D: Histograms of Delphi Responses

Histograms were developed to graphically display the tabulated frequencies of the numerical scores provided by participants in each of the three Delphi studies. Following are these findings. Most of the questions asked participants for their views on specific propositions related to the RAF in general or to the specific index being addressed in the Delphi. The questions asked for numerical responses ranging from 1 to 10 with 10 indicating the strongest agreement with the proposition and 1 indicating the strongest disagreement with the proposition. With a yes-no proposition, 1 indicates "no" and 2 indicates "yes."

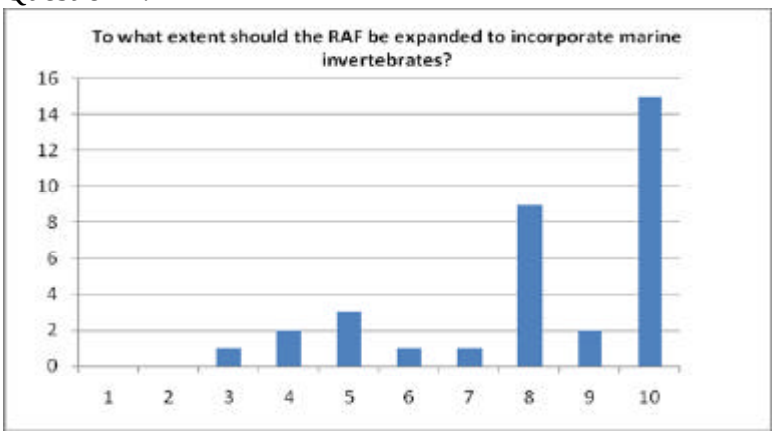
10.1 Biodiversity Histograms

Concern 1: The data used in the RAF GBI-BIO are not comprehensive and the taxa covered by the RAF GBI-BIO may miss important aspects of biodiversity.

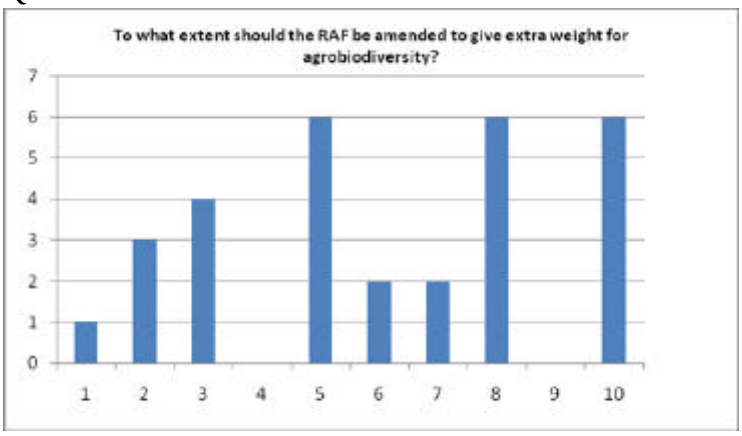
Question 1.1



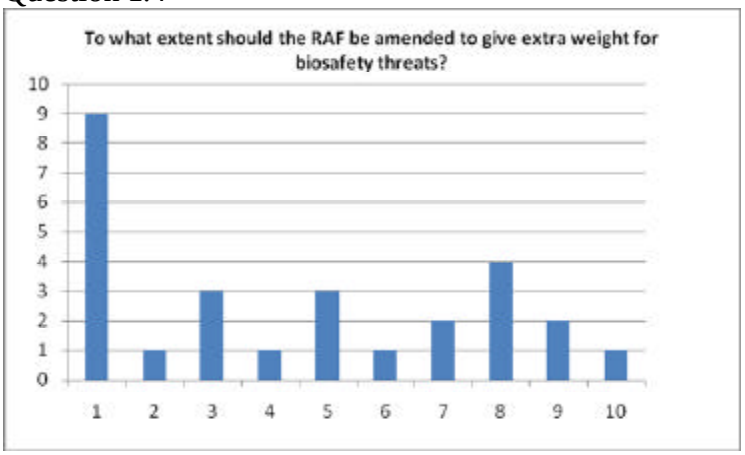
Question 1.2



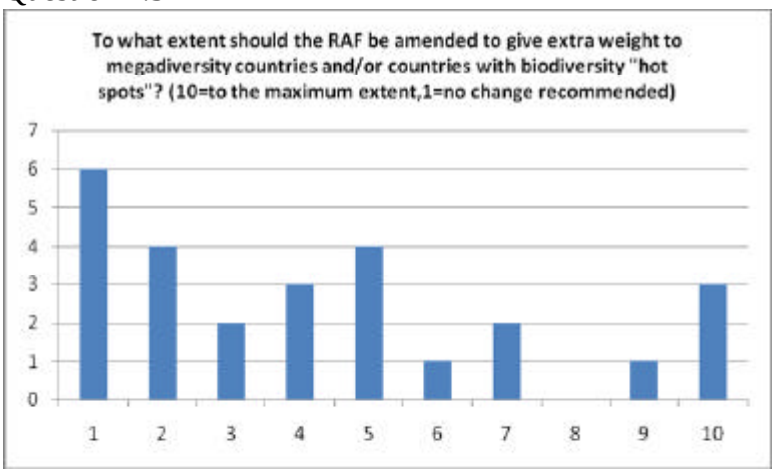
Question 1.3



Question 1.4

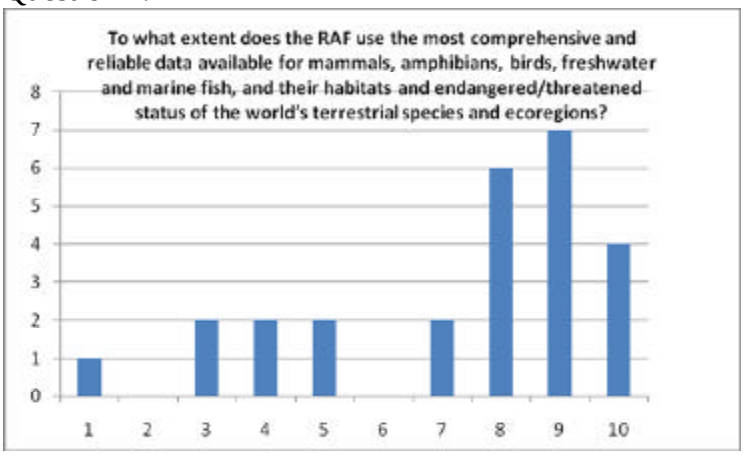


Question 1.5

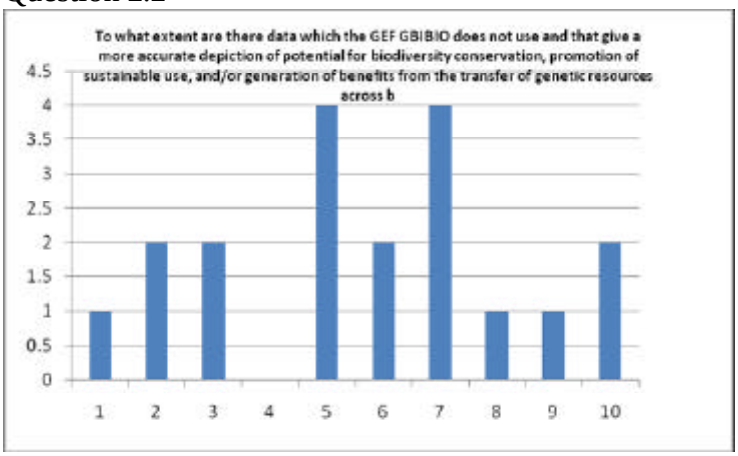


Concern 2: The current RAF may not rely on the best available data.

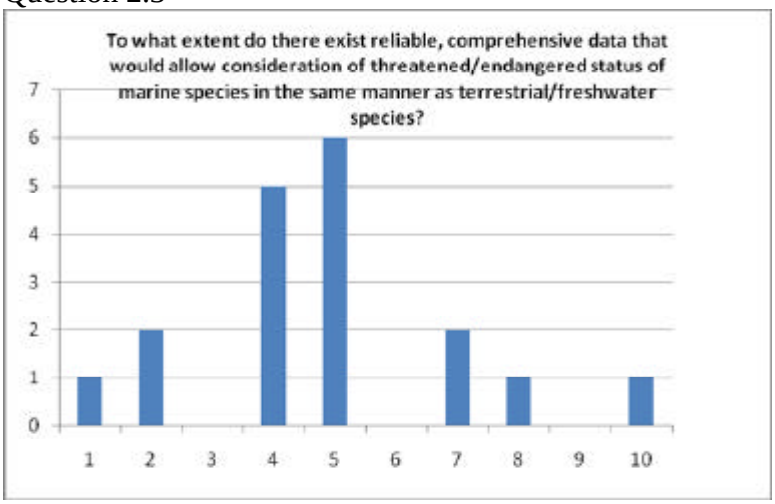
Question 2.1



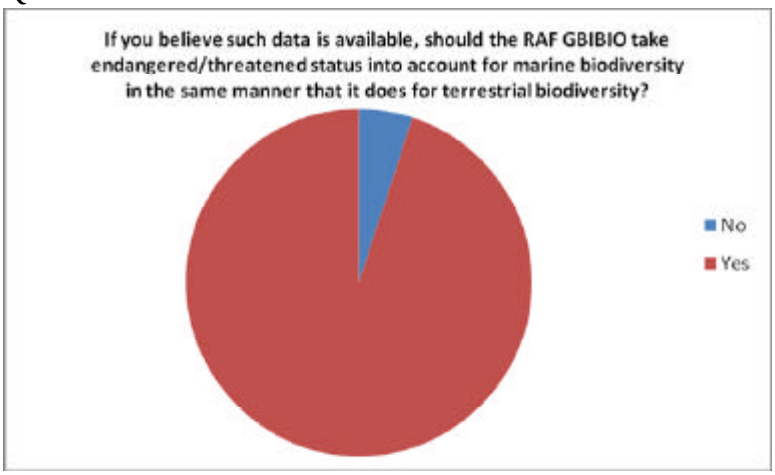
Question 2.2



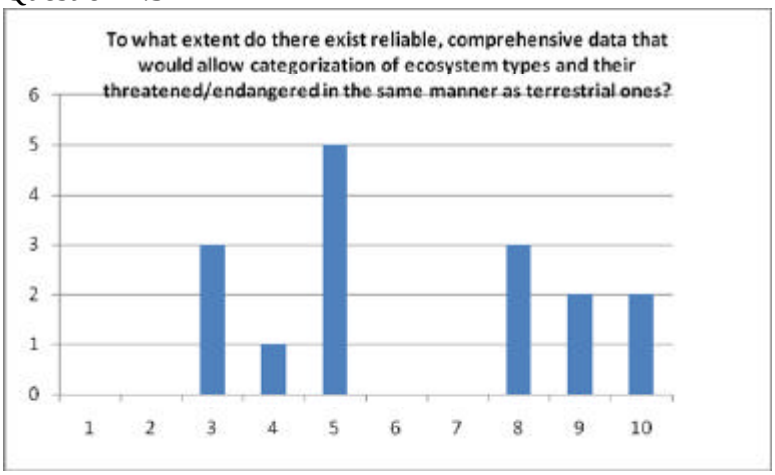
Question 2.3



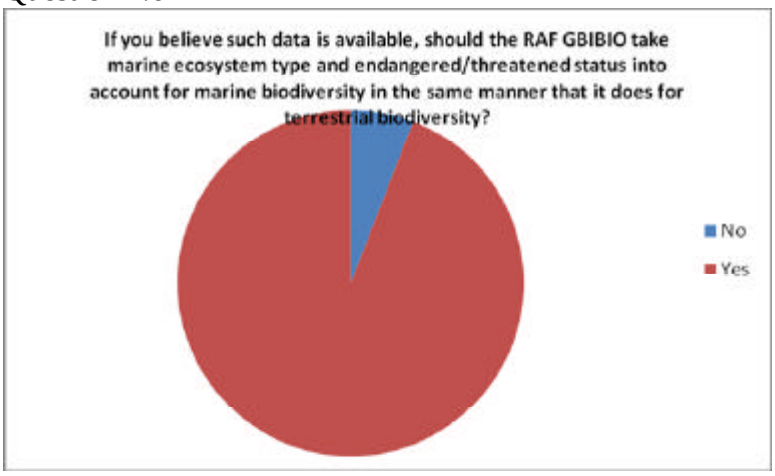
Question 2.4



Question 2.5

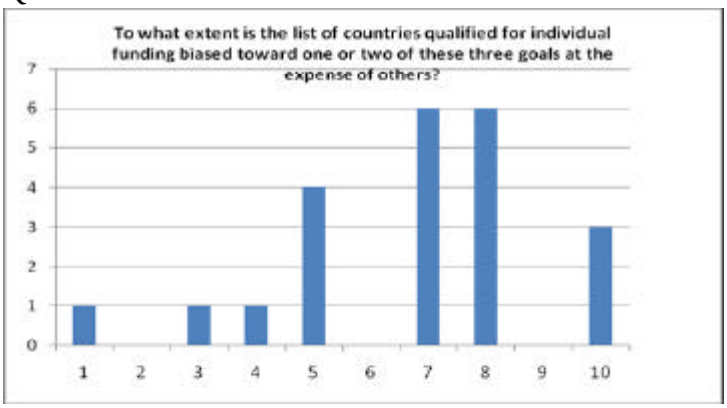


Question 2.6

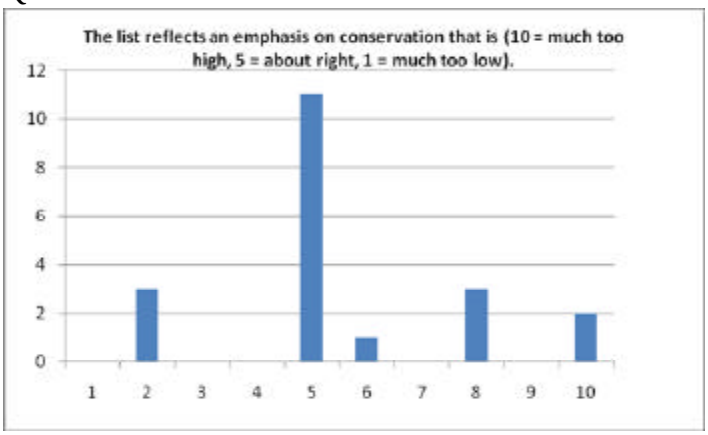


Concern 3: The goals of the GEF Biodiversity Program are conservation of biodiversity, promotion of sustainable use of biological resources, and generation of benefits from the transfer of genetic resources across borders. The current RAF may not accurately reflect countries' potential in these three areas.

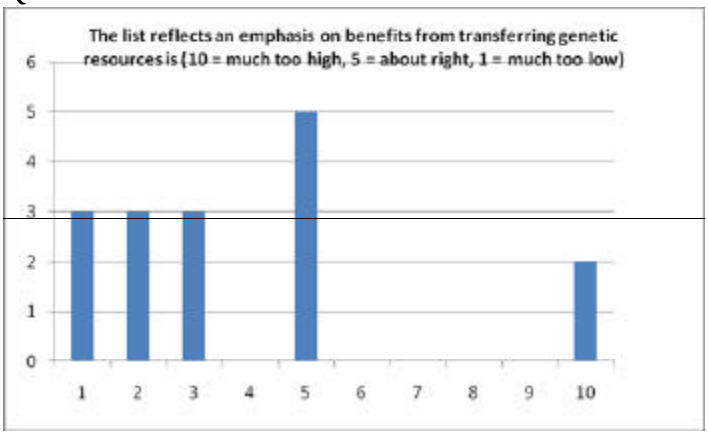
Question 3.1



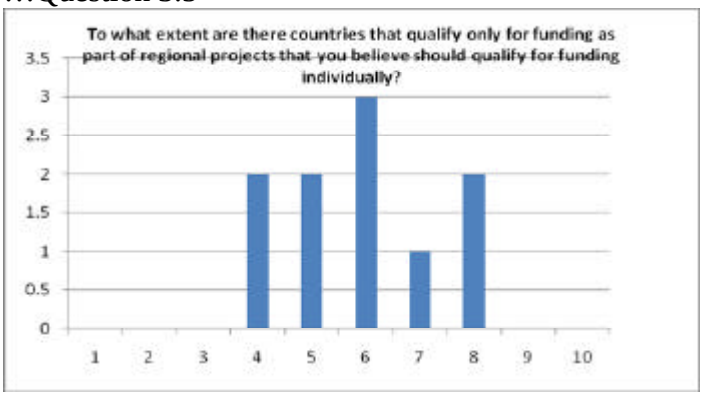
Question 3.2



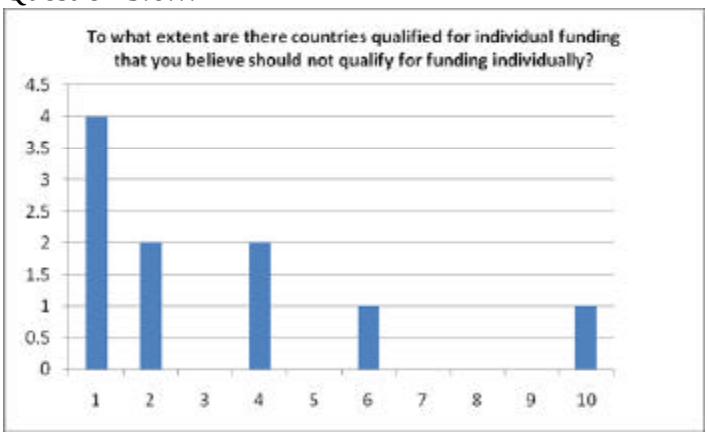
Question 3.3



…Question 3.5

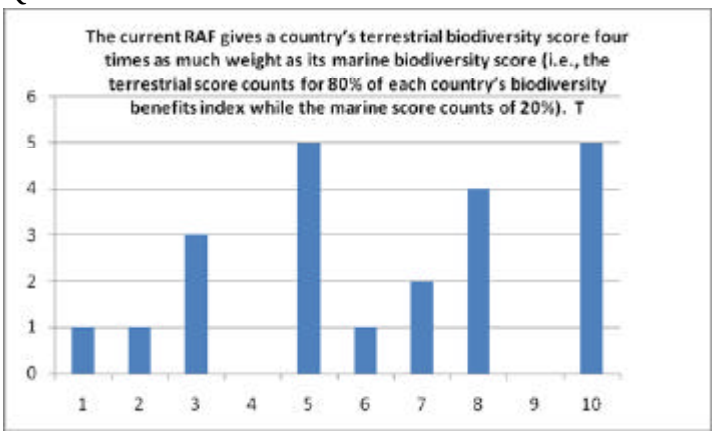


Question 3.6…



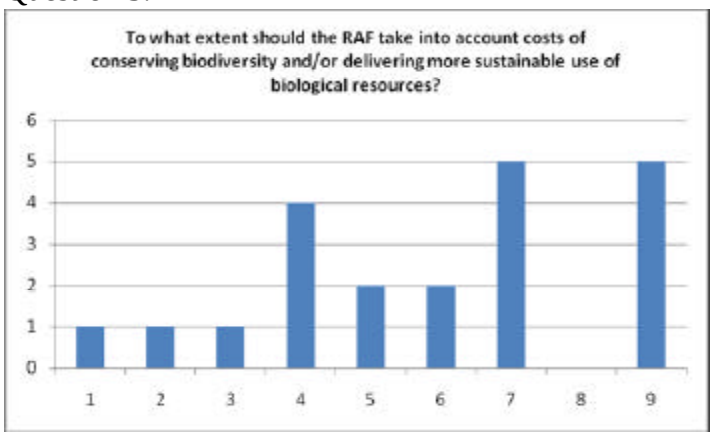
Concern 4: The current RAF GBI-BIO favors terrestrial/ freshwater over marine biodiversity resources. Furthermore, the ways in which terrestrial and marine biodiversity funding priorities are calculated are not comparable to each other.

Question 4.1

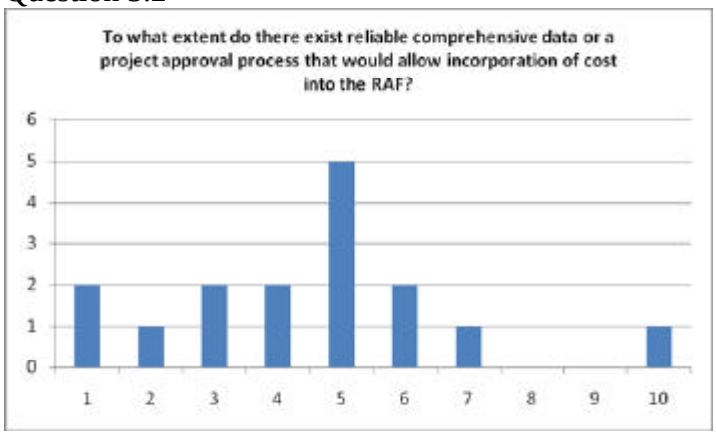


Concern 5: Reliance on the Performance Index (GPI) to assess the likelihood of proper project management (and thus cost-effectiveness and sustainability of projects generally) may not be adequate to assess the likely cost-effectiveness and sustainability of biodiversity conservation and sustainable use efforts specifically.

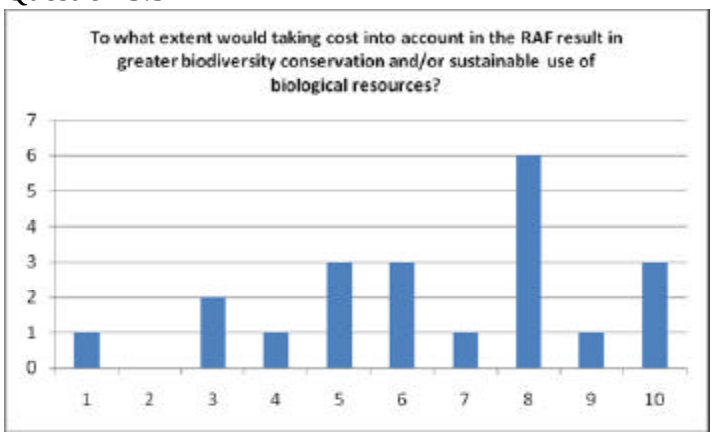
Question 5.1



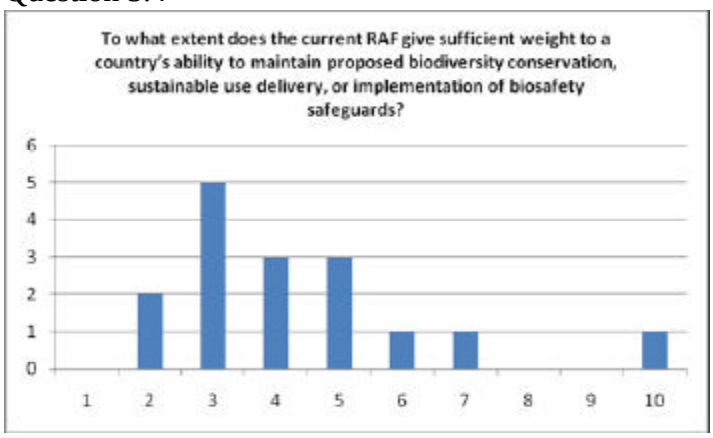
Question 5.2



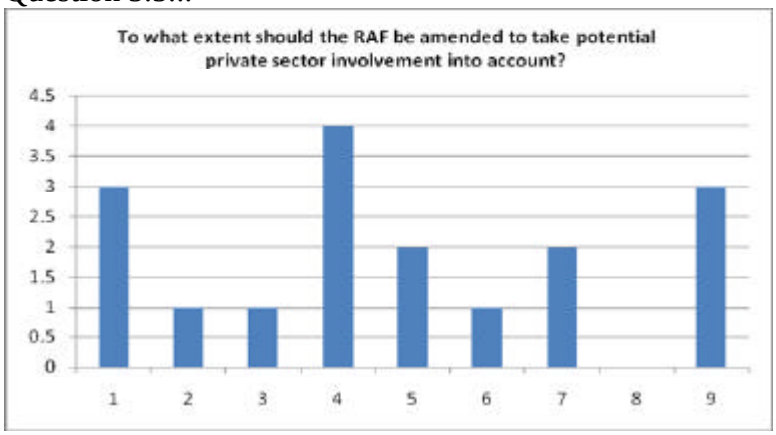
Question 5.3



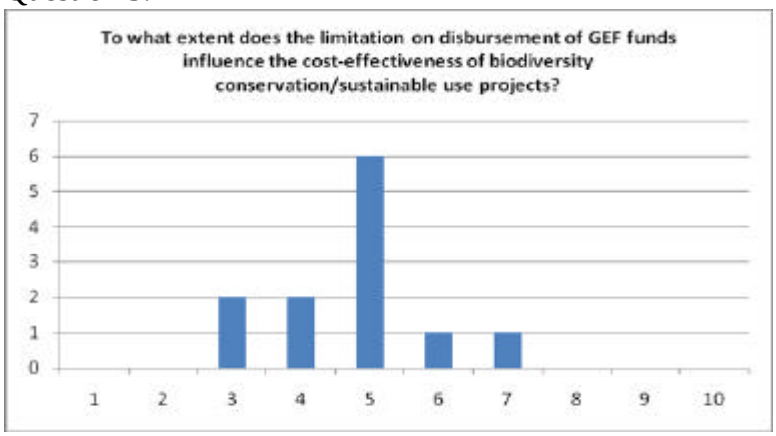
Question 5.4



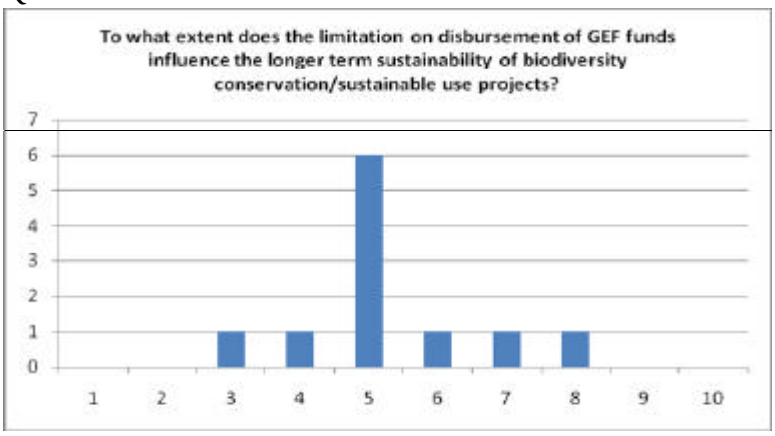
Question 5.5...



Question 5.7

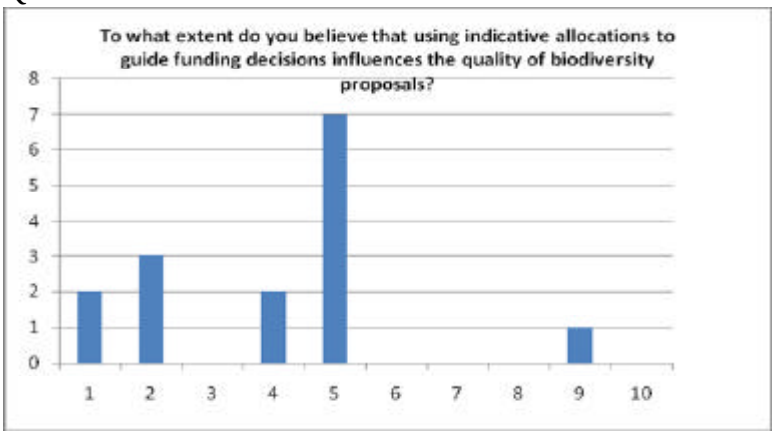


Question 5.8

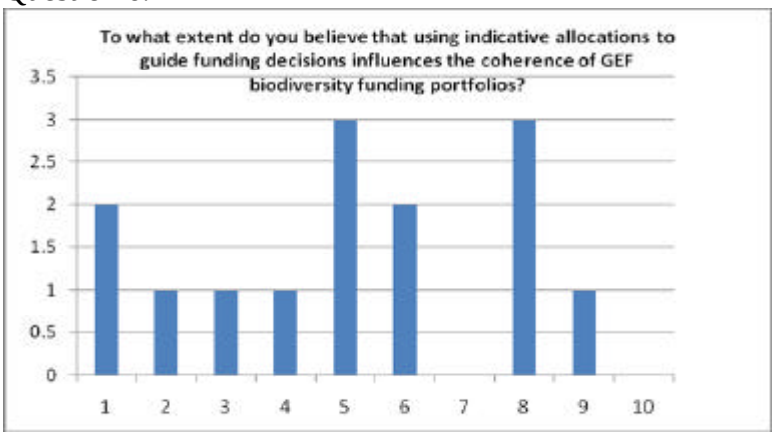


Concern 6: Using indicative allocations to guide funding decisions may remove competitive pressures among nations to secure GEF funding thus (1) reducing the quality of the proposals submitted in terms of potential to provide global environmental benefits and in terms of cost effectiveness and (2) preventing the GEF-Secretariat from producing coherent funding portfolios.

Question 6.1

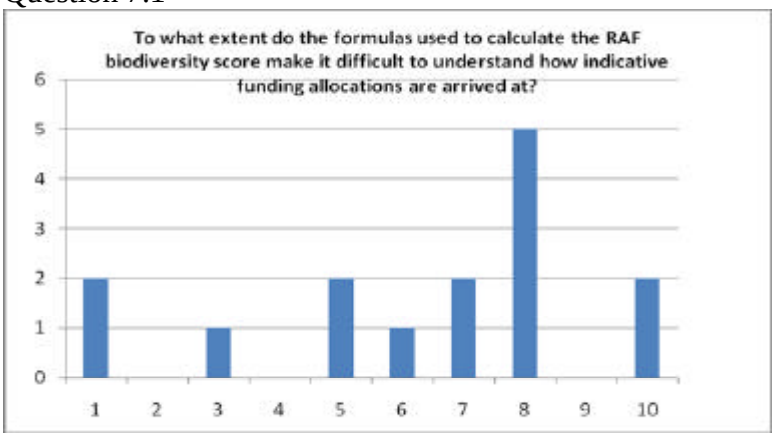


Question 6.2



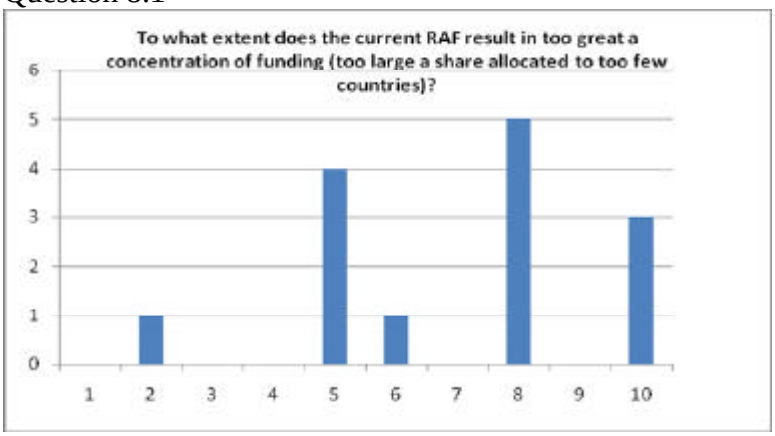
Concern 7: The RAF may not be sufficiently transparent.

Question 7.1

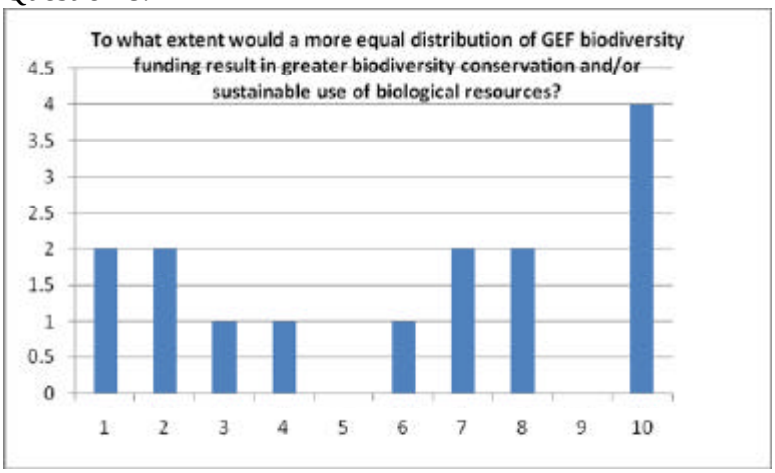


Concern 8: The RAF may not produce indicative funding allocations that are sufficiently equitable.

Question 8.1

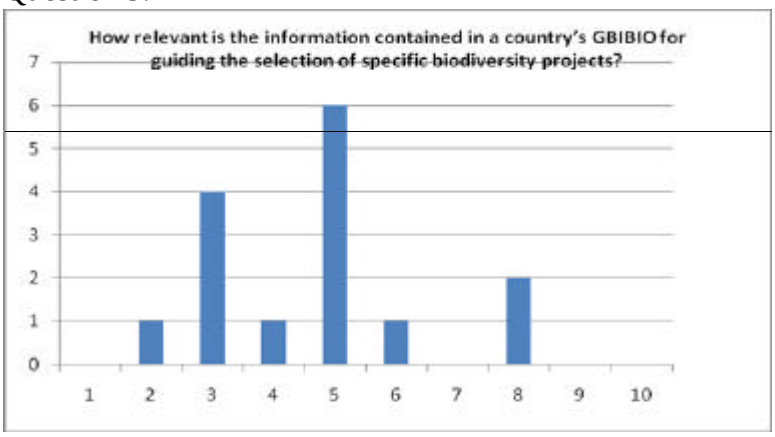


Question 8.2

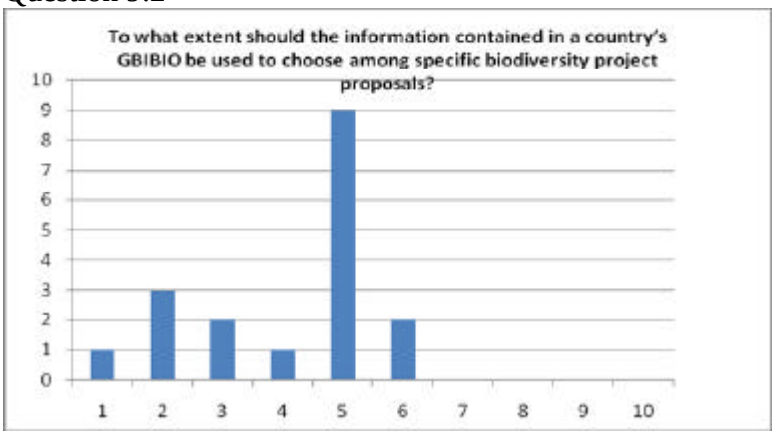


Concern 9: The information used to guide funding allocations may not be relevant for guiding selection of specific projects for biodiversity conservation, sustainable use promotion, or generation of benefits from the transfer of genetic resources across borders.

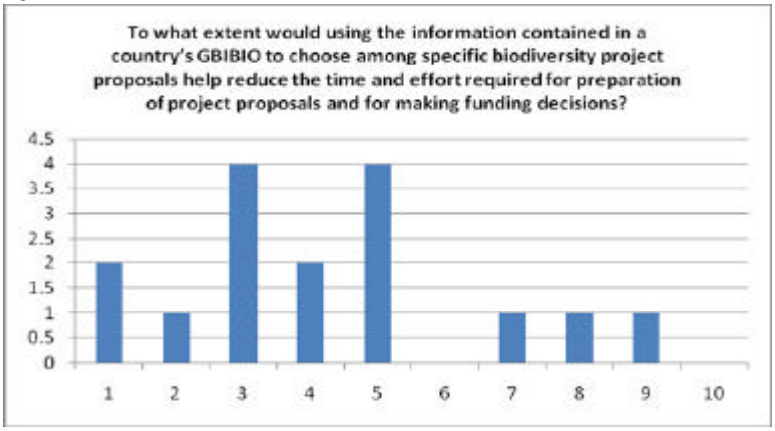
Question 9.1



Question 9.2



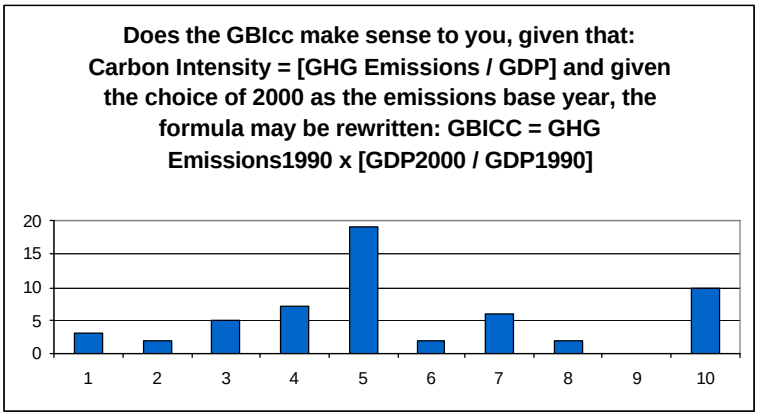
Question 9.3



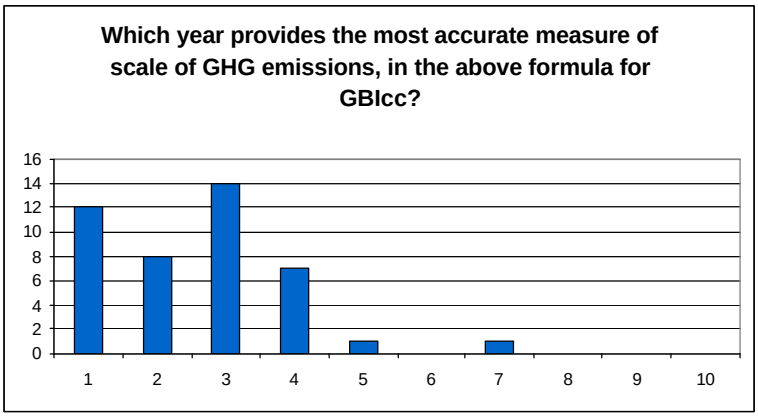
10.2 Climate Change Histograms

Concern 1: To what extent do the global environmental benefits indices relating to climate change reflect best available scientific data and knowledge?

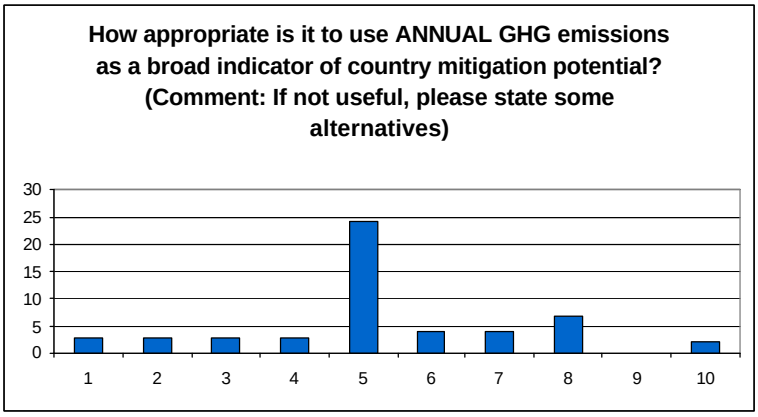
Question 1.1



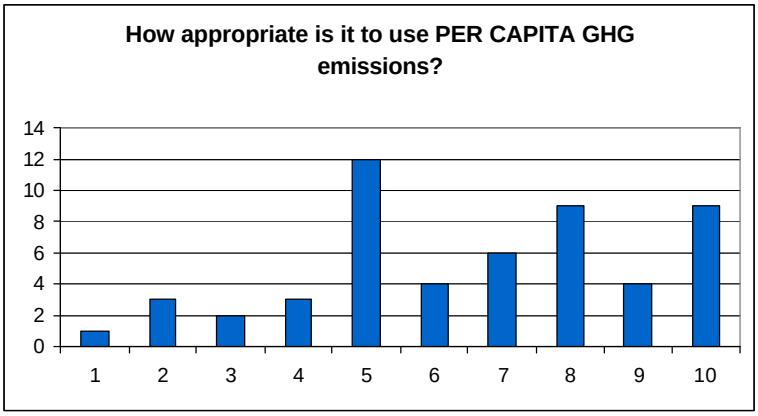
Question 1.2



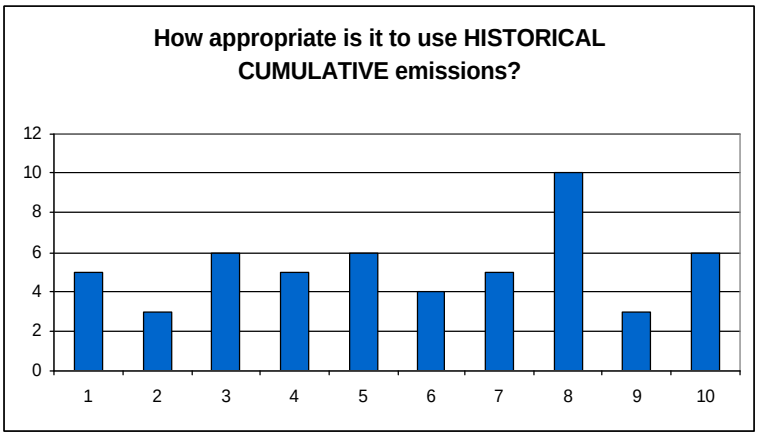
Question 1.3



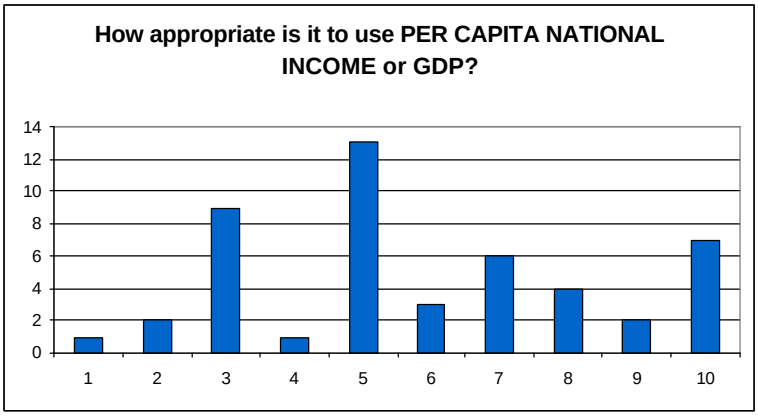
Question 1.4



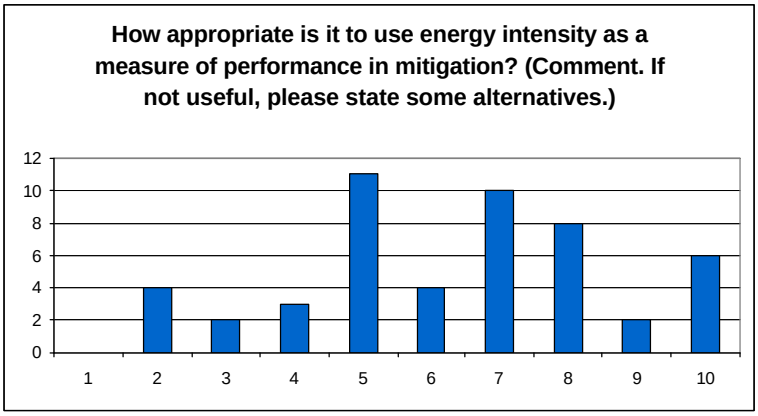
Question 1.5



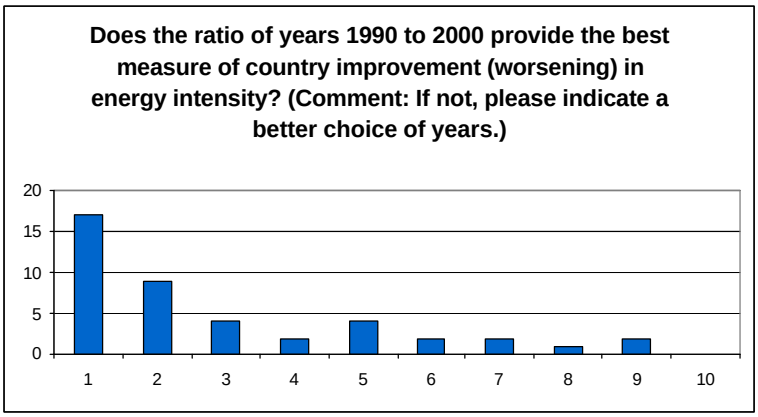
Question 1.6



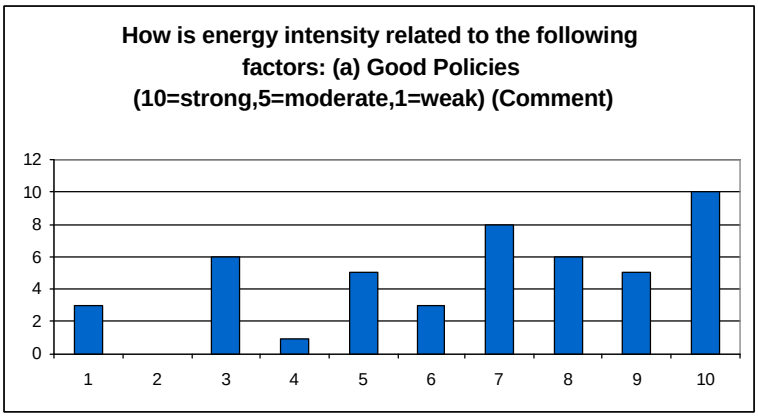
Question 1.7



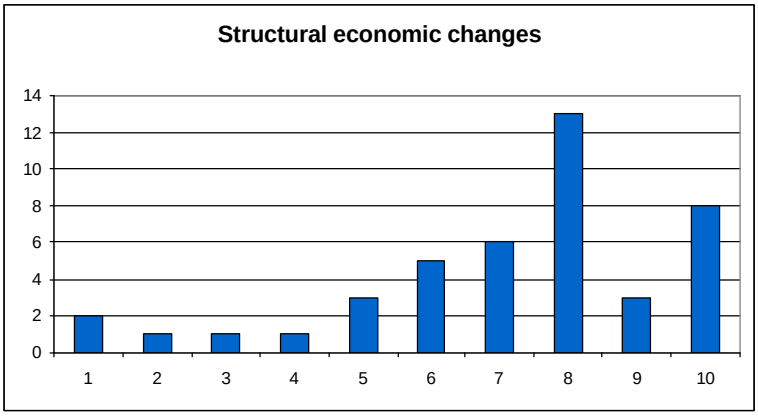
Question 1.8



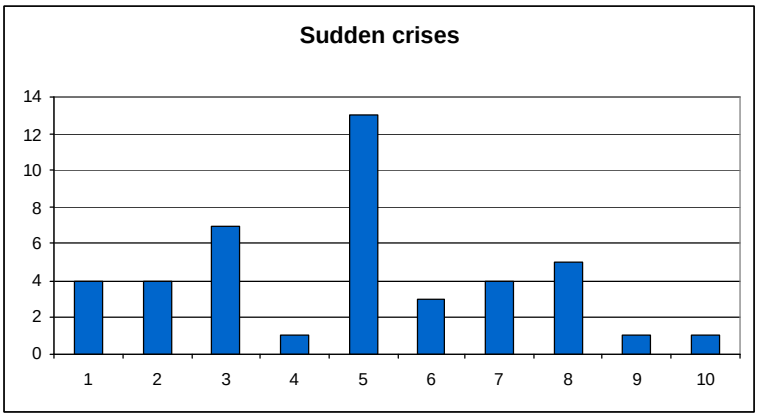
Question 1.9a



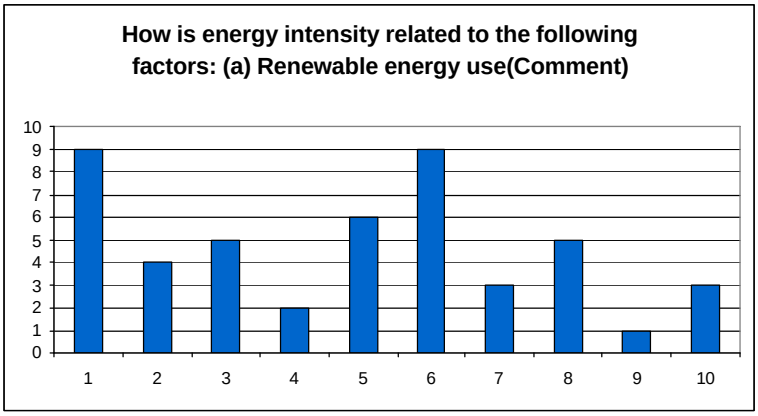
Question 1.9b



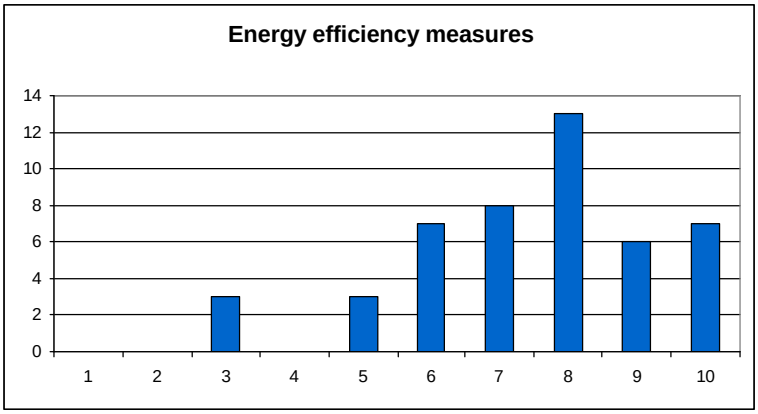
Question 1.9c



Question 1.10a



Question 1.10b



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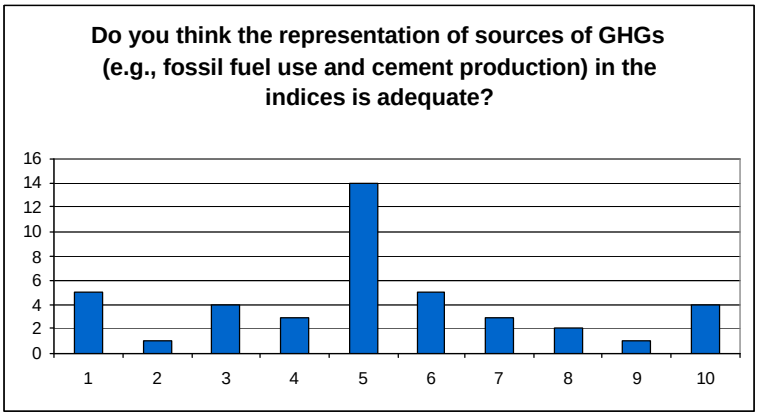
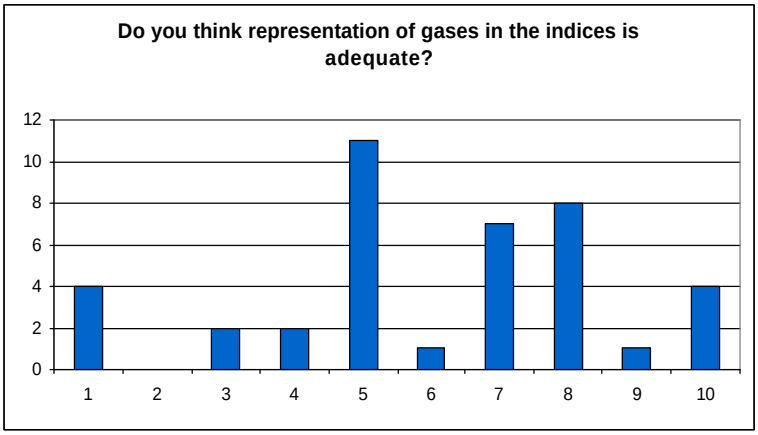
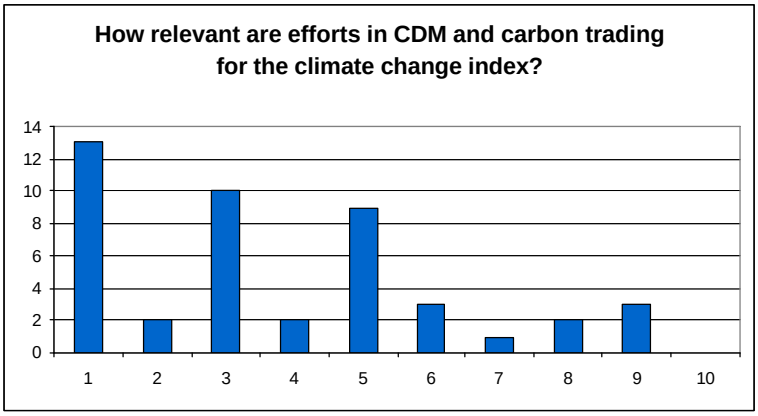


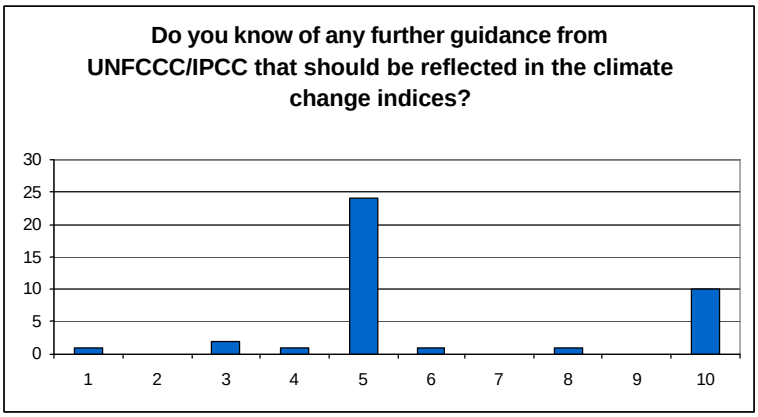
Question 1.12



Question 1.13

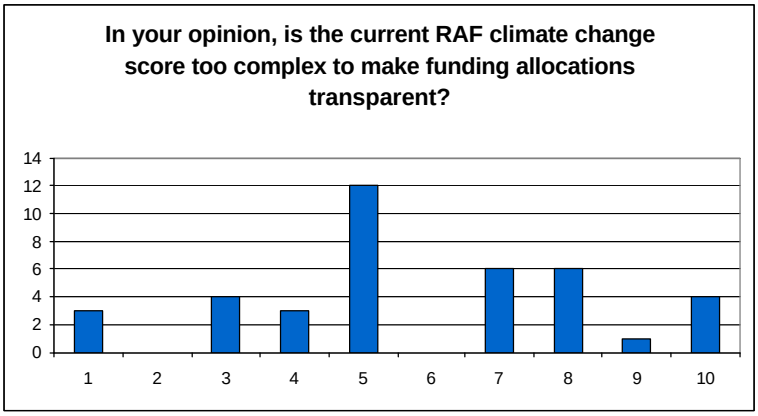


Question 1.14

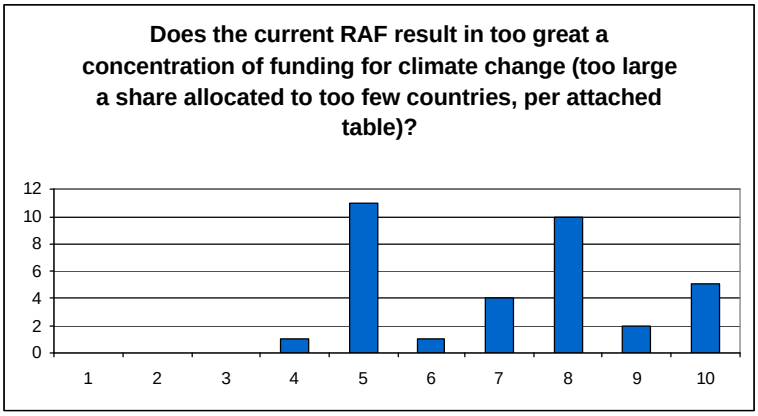


Concern 2: Are the RAF indices and formula sufficiently transparent and/or equitable?

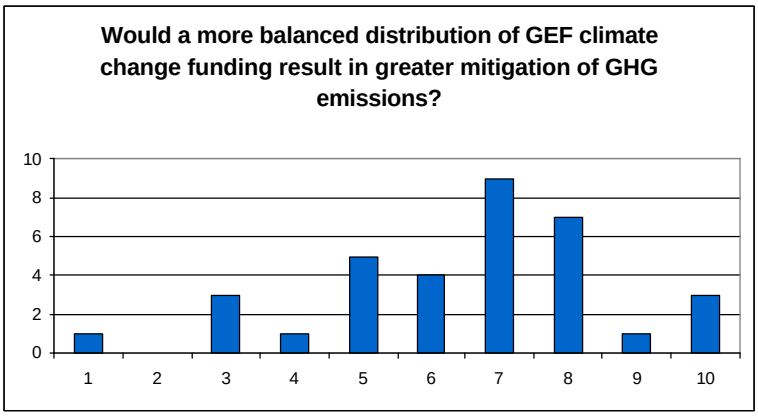
Question 2.1



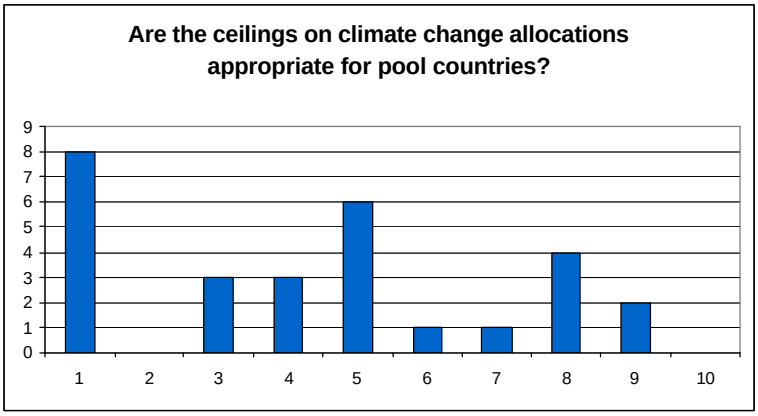
Question 2.2



Question 2.3

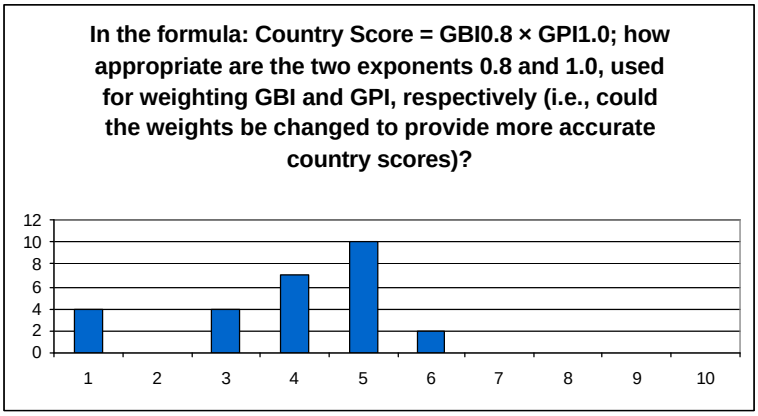


Question 2.4

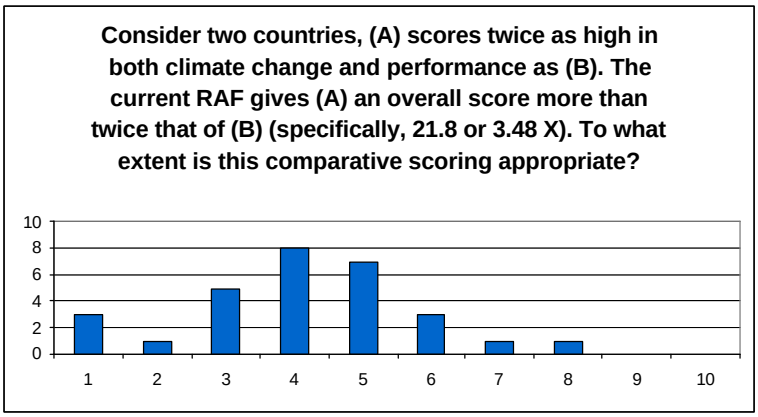


Concern 3: Does the RAF produce scores for countries that appropriately reflect their relative status in terms of climate change and performance?

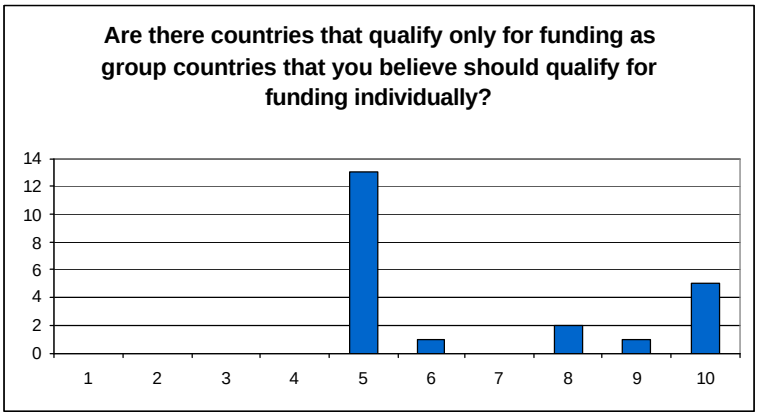
Question 3.1



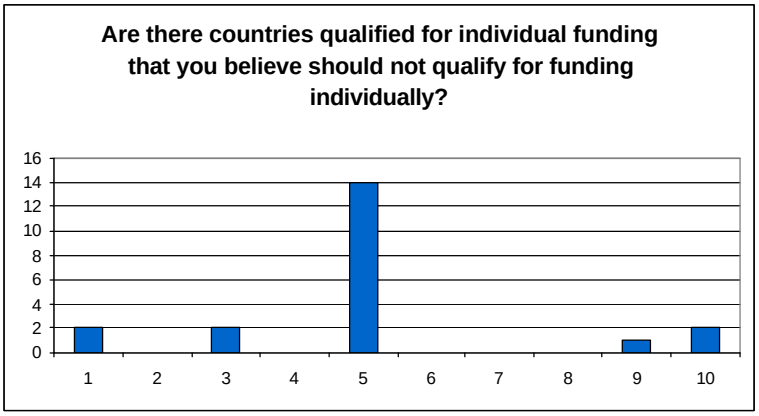
Question 3.2…



Question 3.4

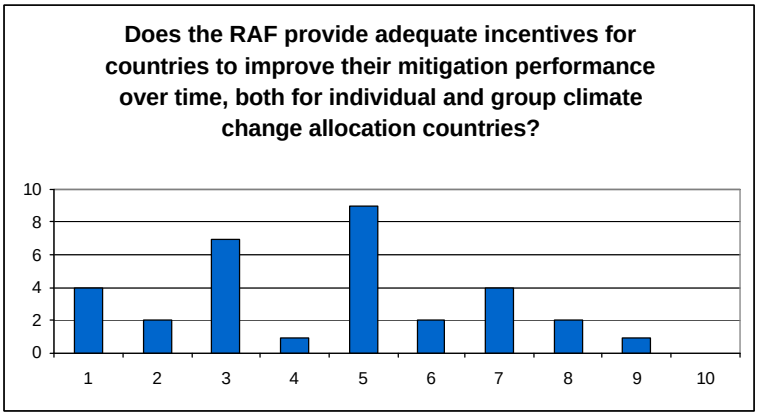


Question 3.5

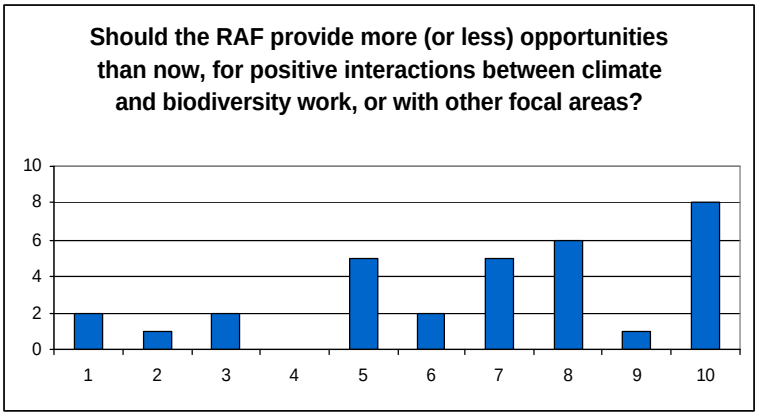


Concern 4: To what extent is the RAF designed to maximize global climate change benefits?

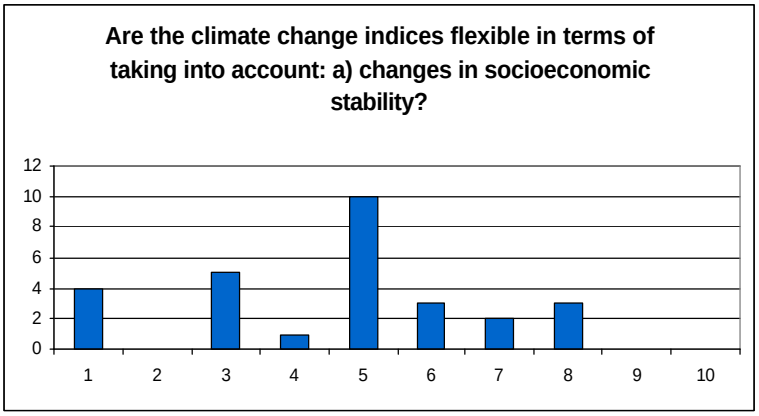
Question 4.1



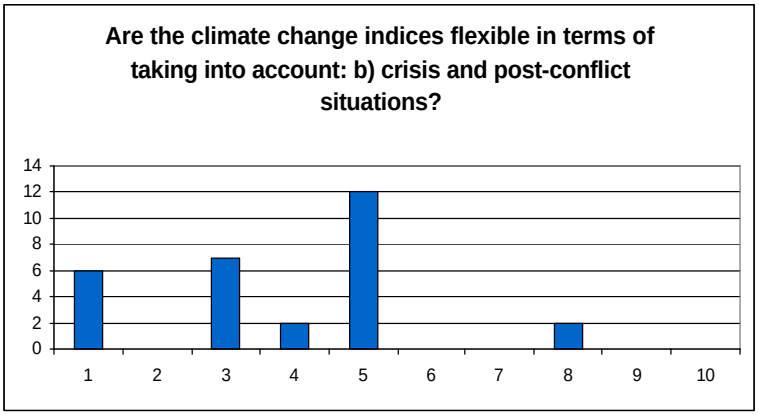
Question 4.2



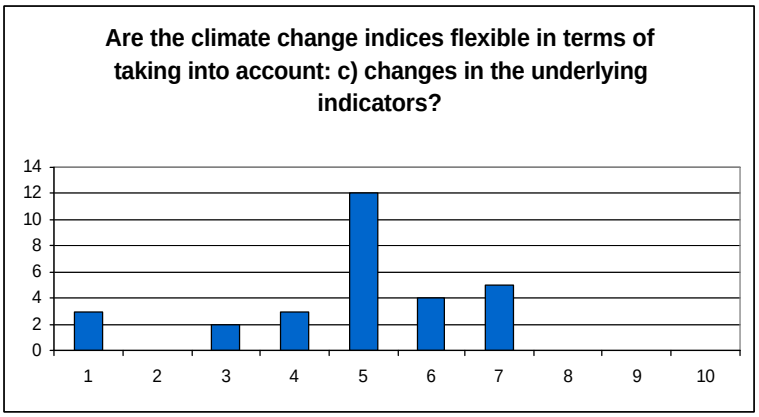
Question 4.3a



Question 4.3b

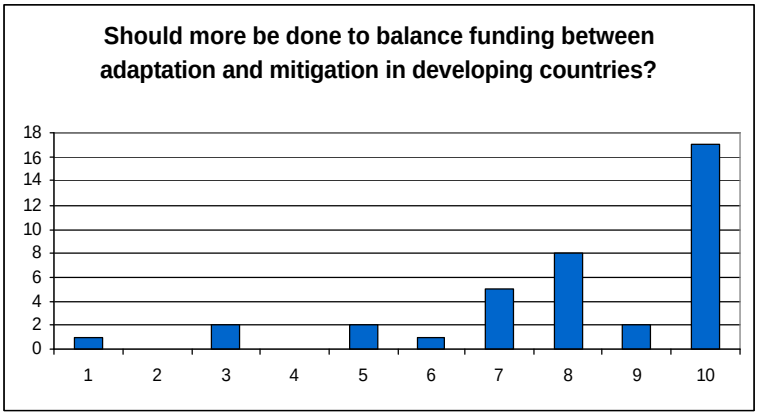


Question 4.3c

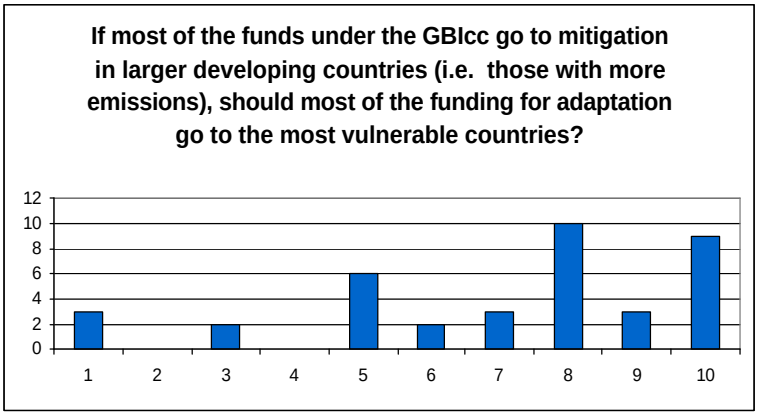


Concern 5: How might the financial mechanism of the Convention best provide balance in funding for adaptation and mitigation?

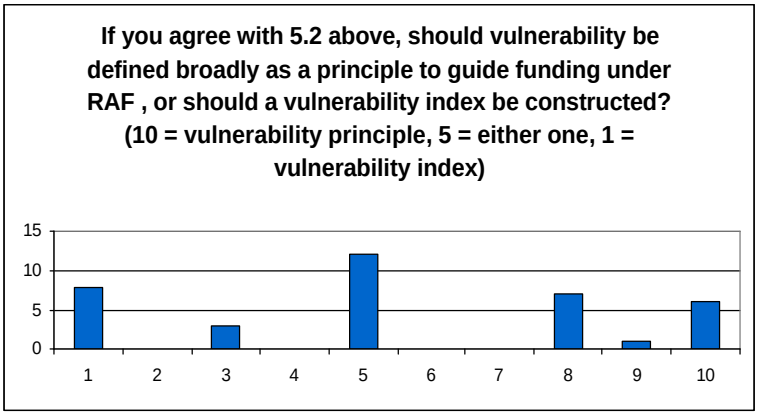
Question 5.1



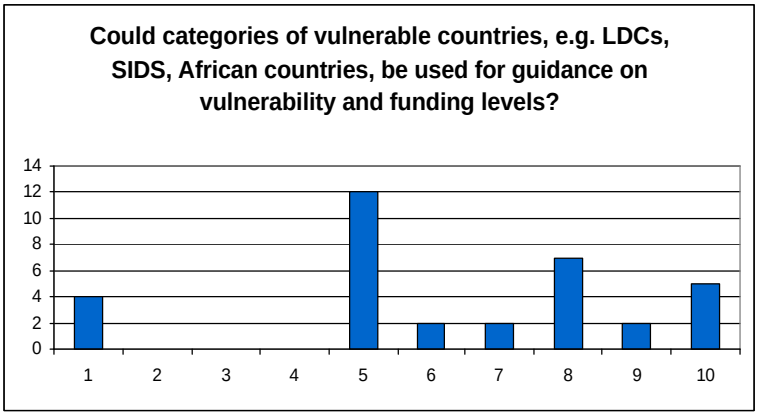
Question 5.2



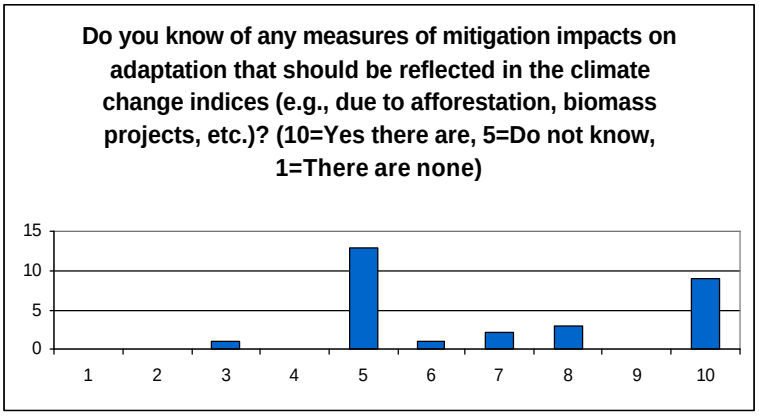
Question 5.3



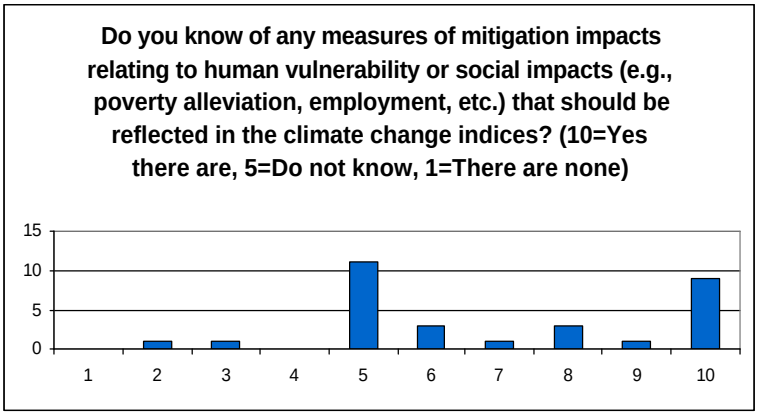
Question 5.4



Question 5.5

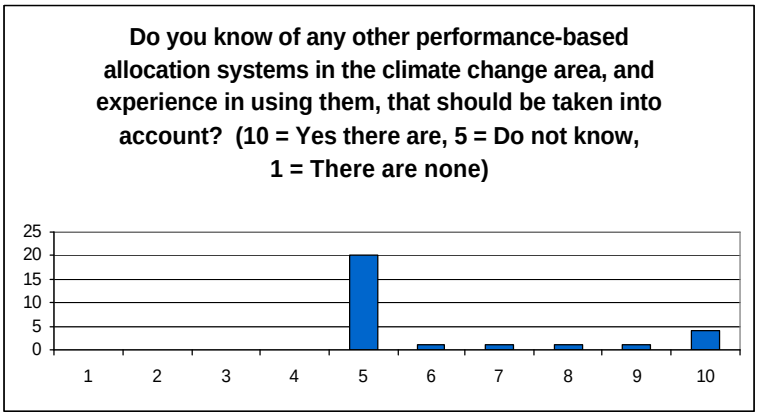


Question 5.6



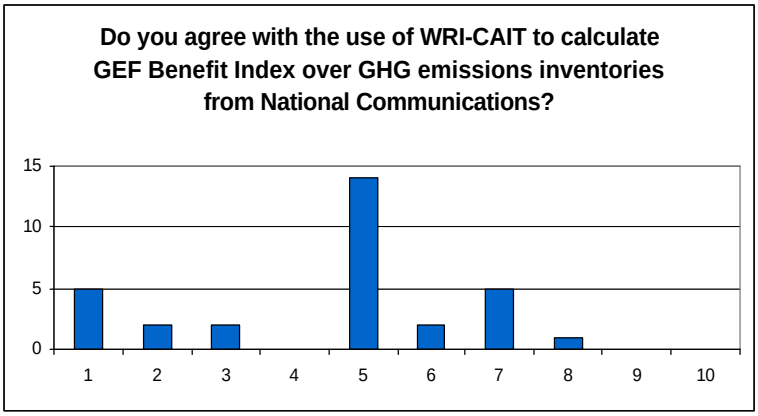
Concern 6: What recent developments in the area of climate change, both within the GEF and elsewhere, should be taken into account in considering potential changes in the RAF or the way it is implemented?

Question 6.1

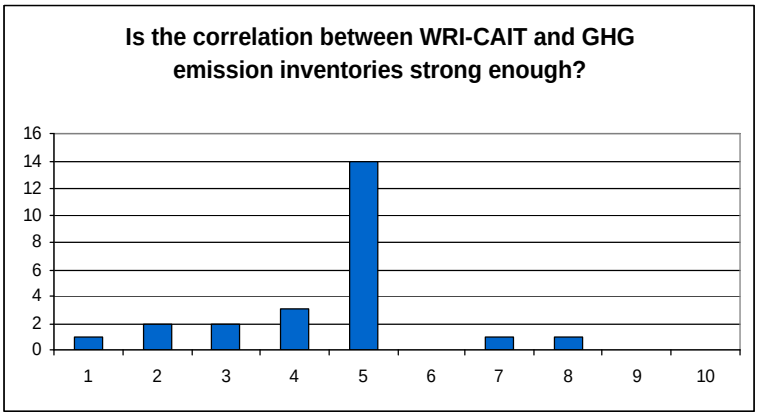


Concern 7: How could the climate change data sources be improved?

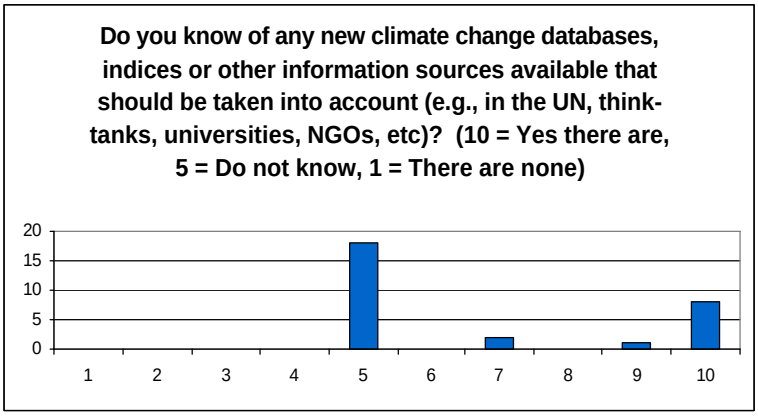
Question 7.1



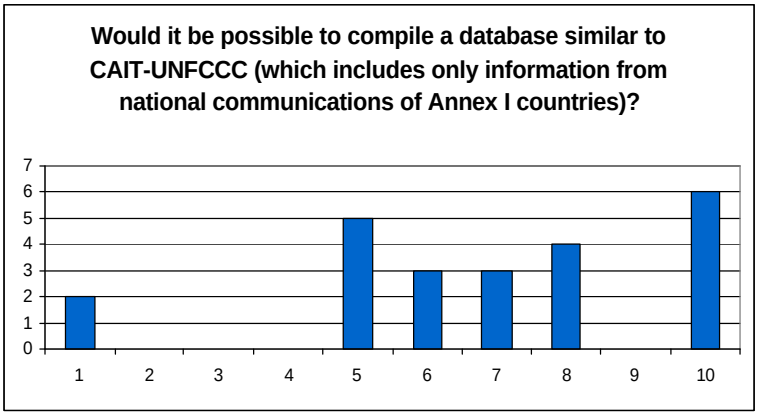
Question 7.2



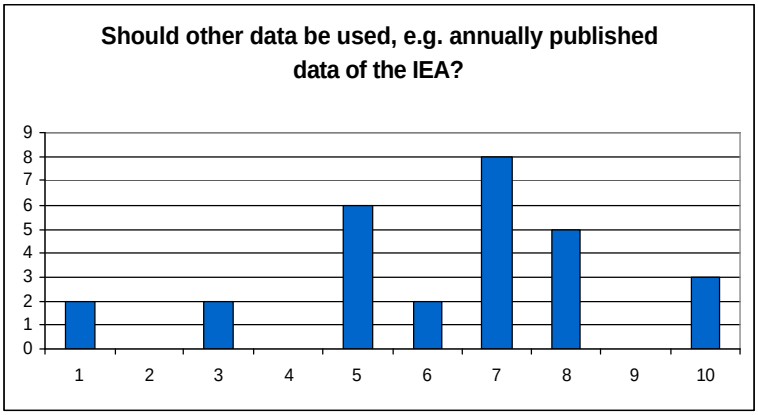
Question 7.3



Question 7.4

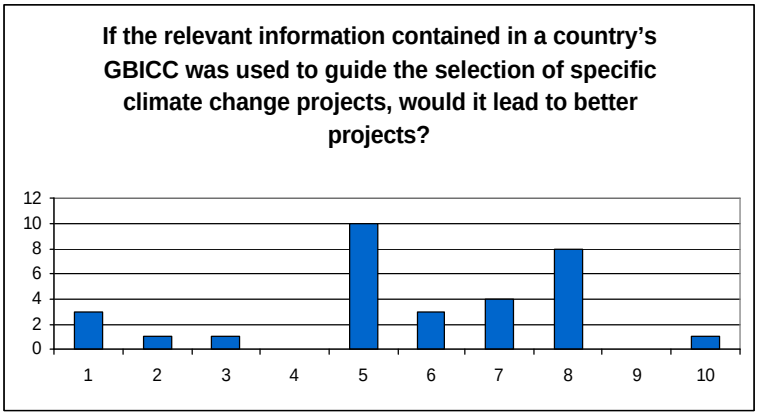


Question 7.5



Concern 8: Is the information used to guide funding allocations relevant for guiding selection of specific climate change projects?

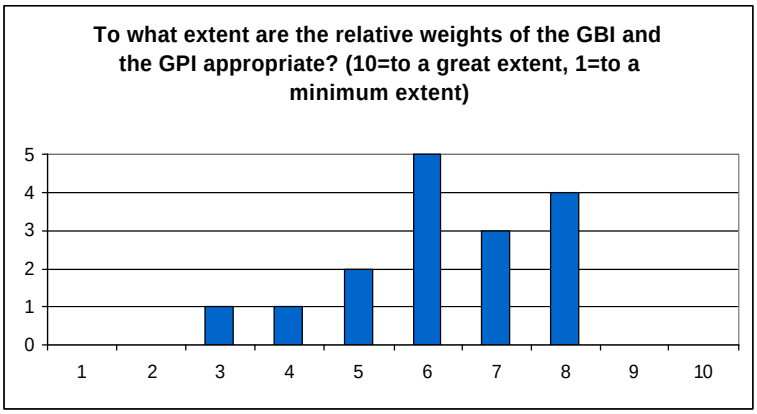
Question 8.1


If the relevant information contained in a country's GBICC was used to guide the selection of specific climate change projects, would it lead to better projects?
12
10
8
6
4
2
0
1
2
3
4
5
6
7
8
9
10

10.3 Performance Histograms

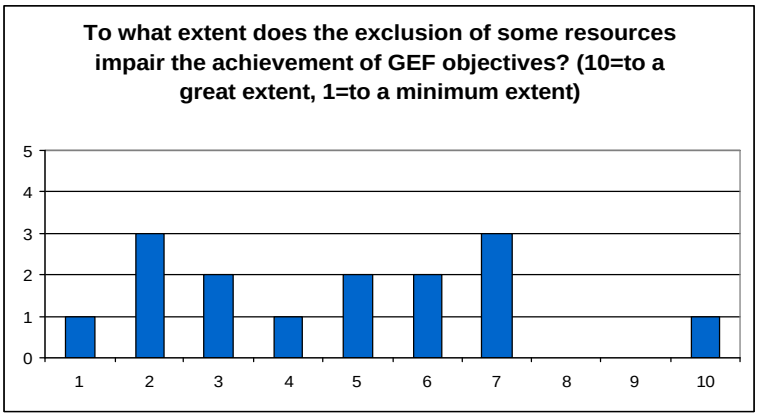
Concern 1: Is there an appropriate balance between the GEF Benefits Index and the GEF Performance Index in the Resource Allocation Framework?

Question 1.1

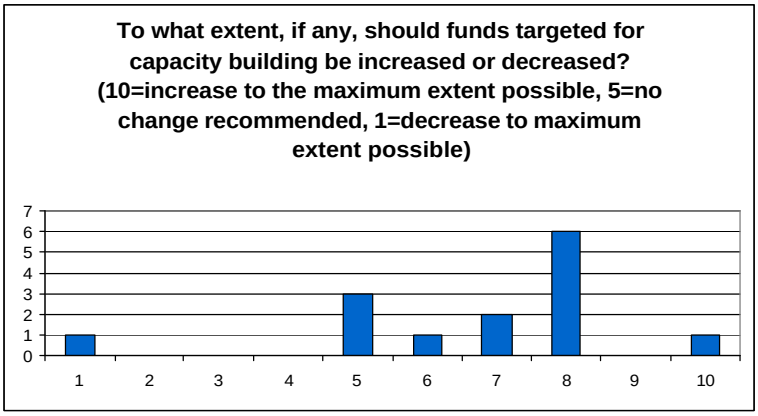


Concern 2: Do Exclusions, the Group Allocation, or Targeted Supplements impair the achievement of GEF objectives?

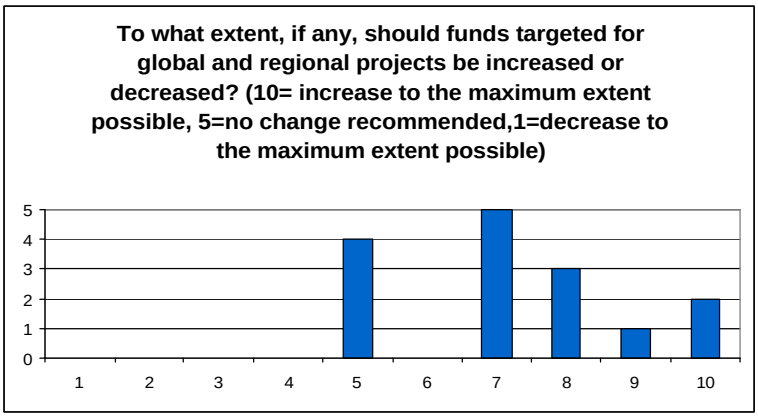
Question 2.1



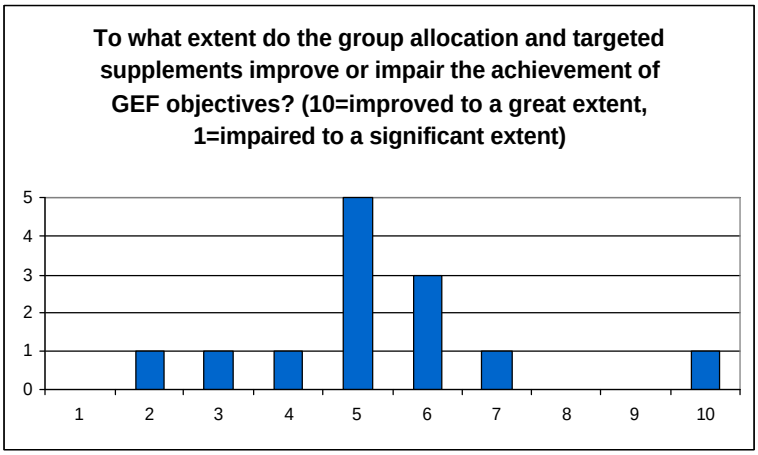
Question 2.2



Question 2.3

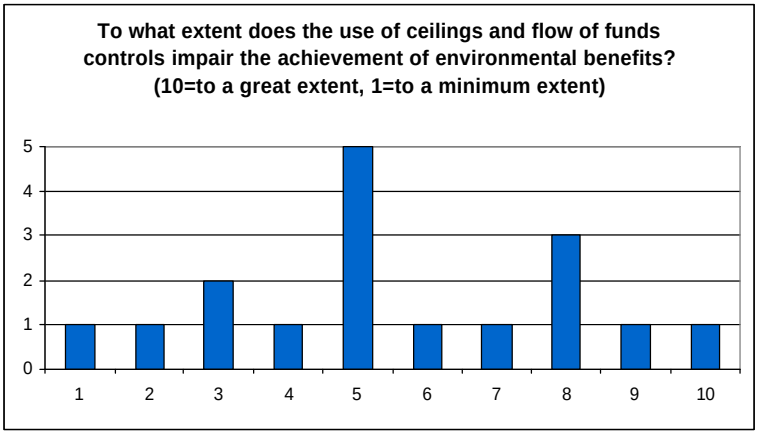


Question 2.4

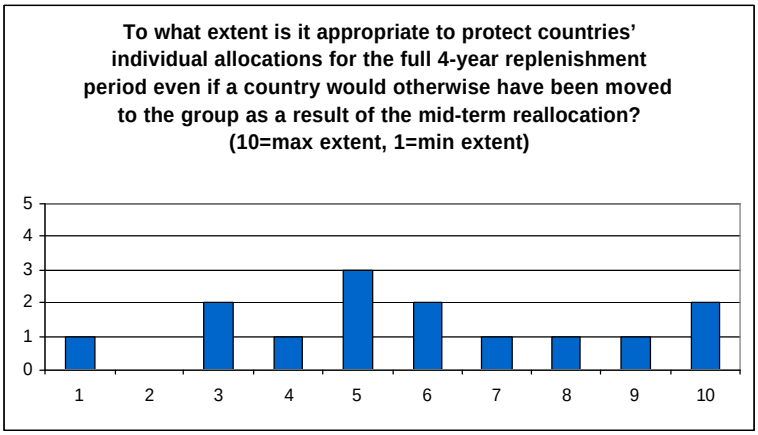


Concern 3: Does the use of ceilings, floors, and flow of funds controls (limitations on front loading) aid or impair the achievement of program objectives?

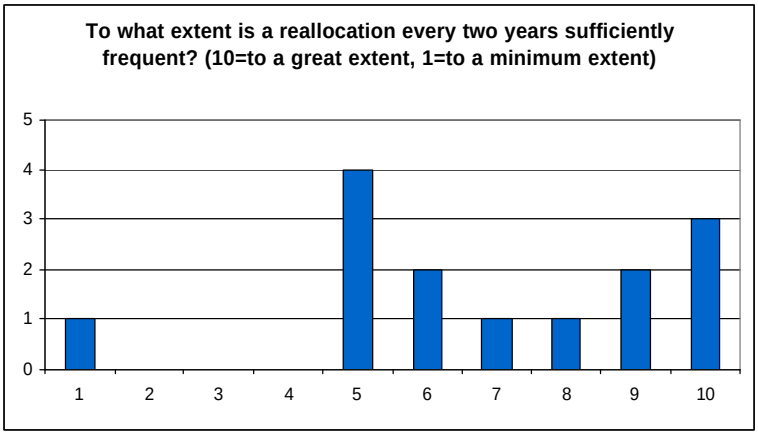
Question 3.1



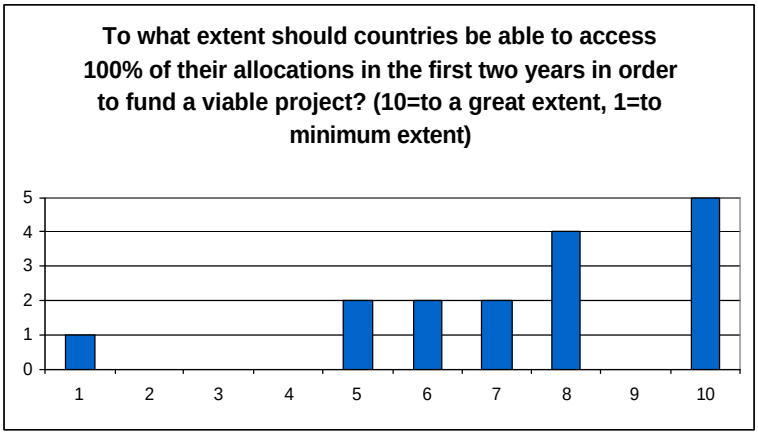
Question 3.2



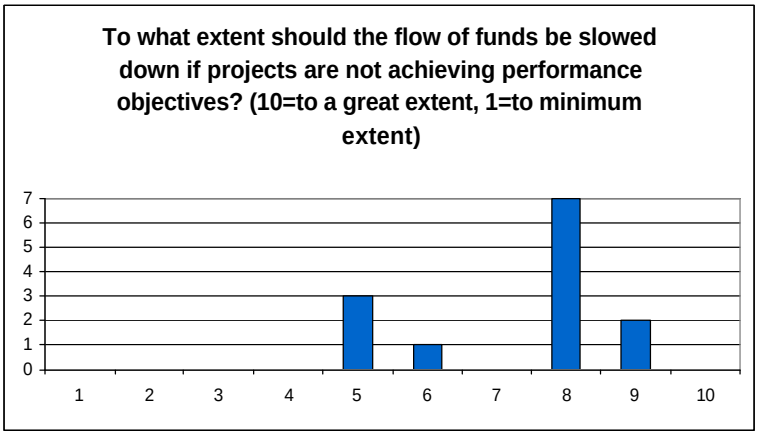
Question 3.3



Question 3.4

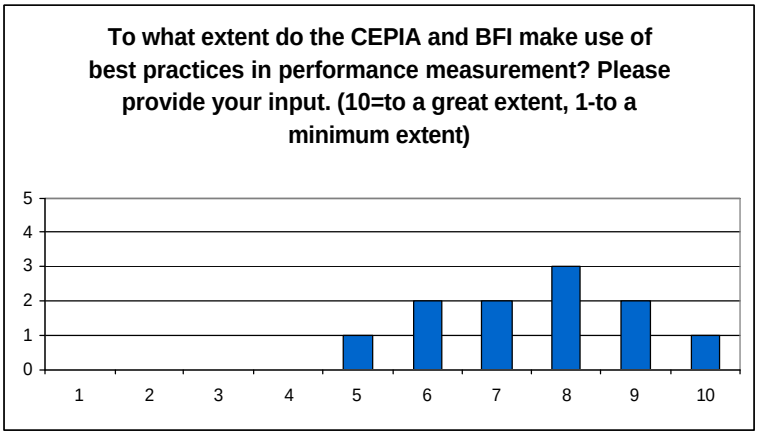


Question 3.5

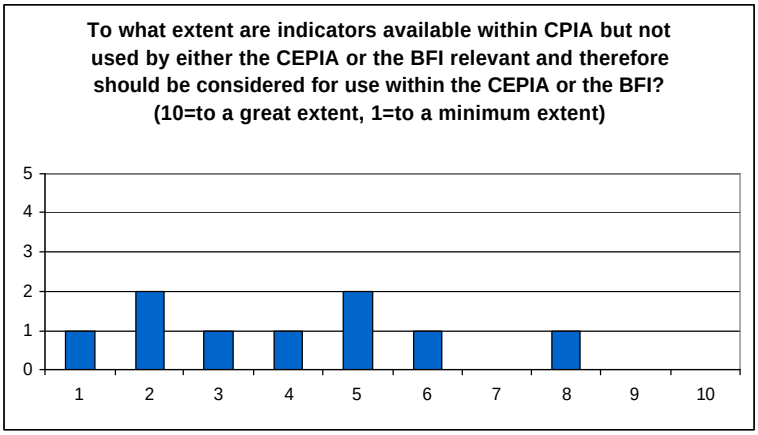


Concern 4: Are the indicators used to assess country policy and institutional performance appropriate components of the GEF Performance Index and are they given appropriate weight in the allocation formula?

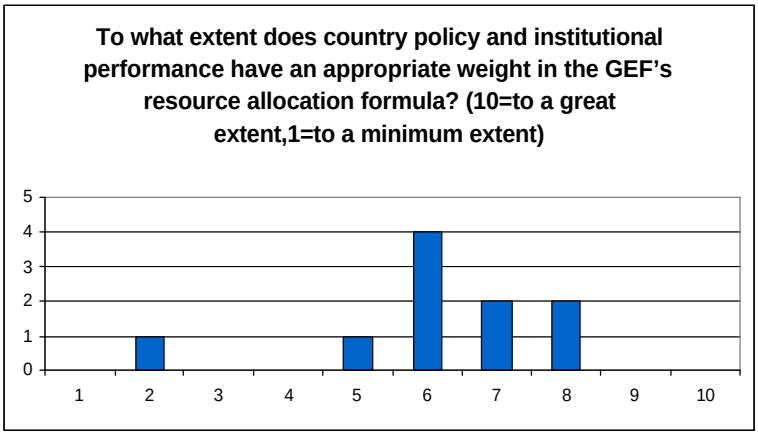
Question 4.1



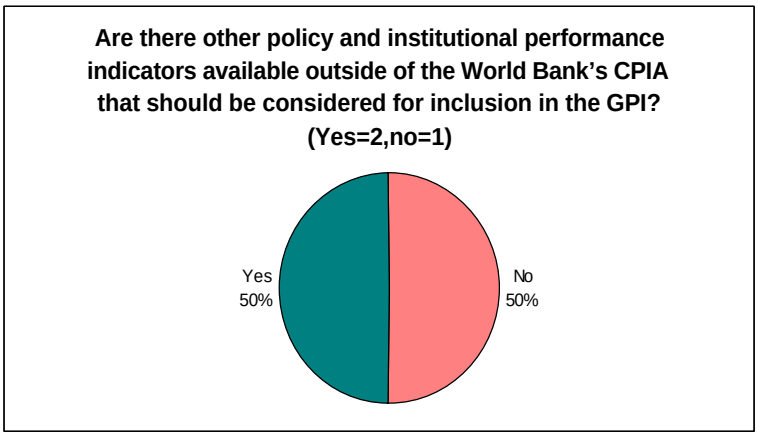
Question 4.2



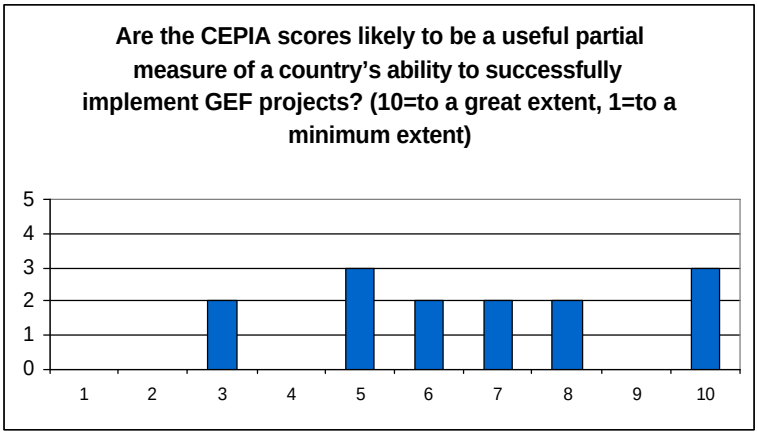
Question 4.3



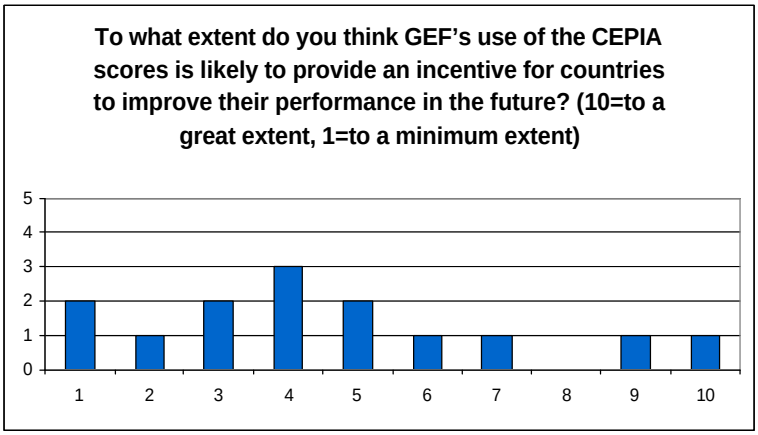
Question 4.4



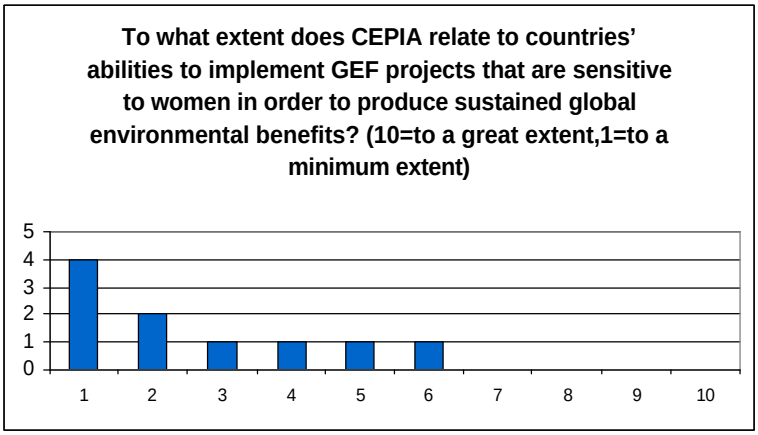
Question 4.5



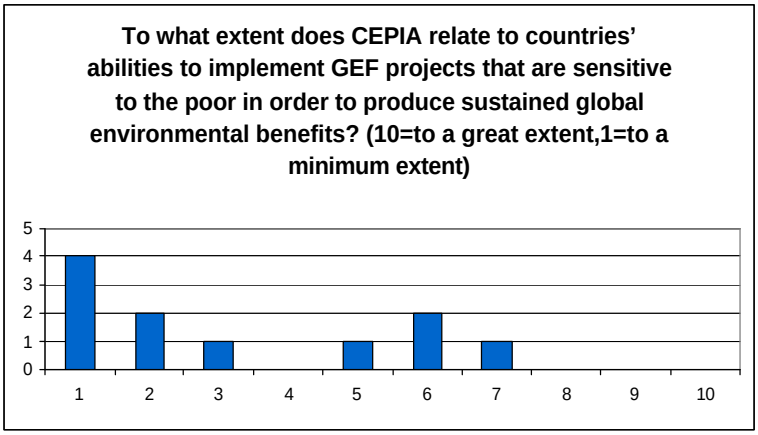
Question 4.6



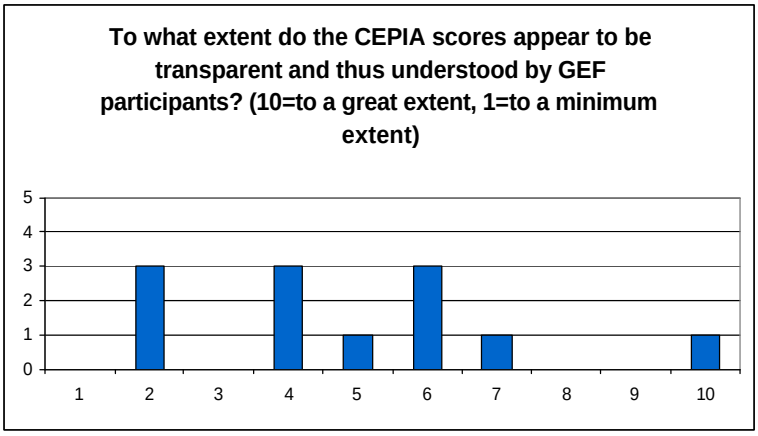
Question 4.7



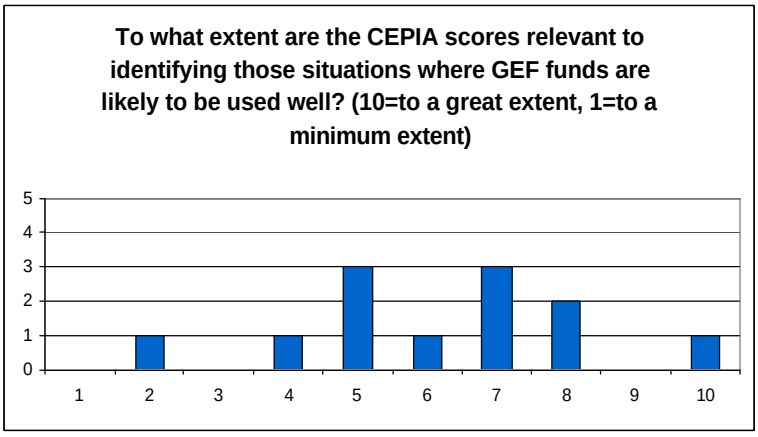
Question 4.8



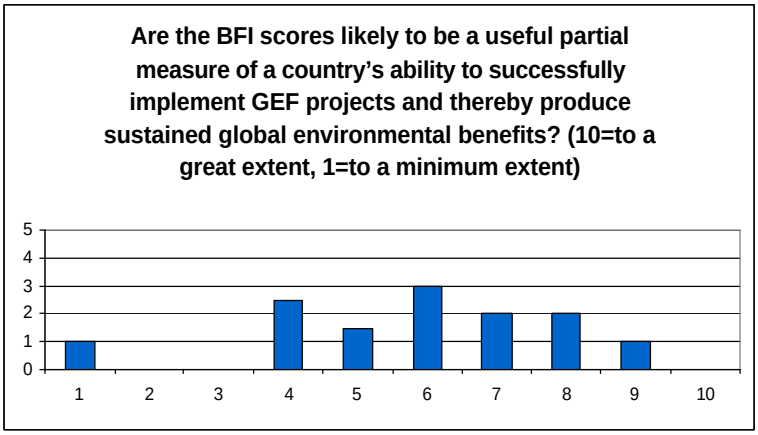
Question 4.9



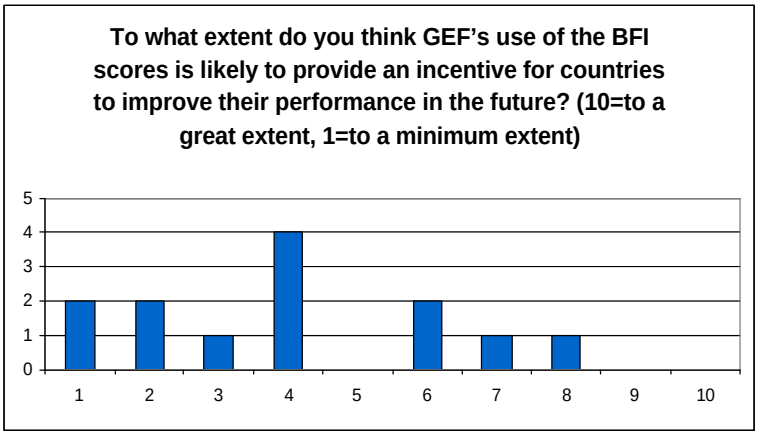
Question 4.10



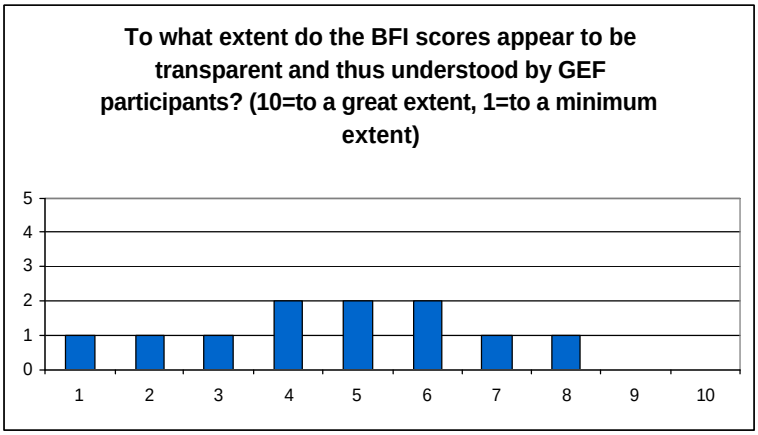
Question 4.11



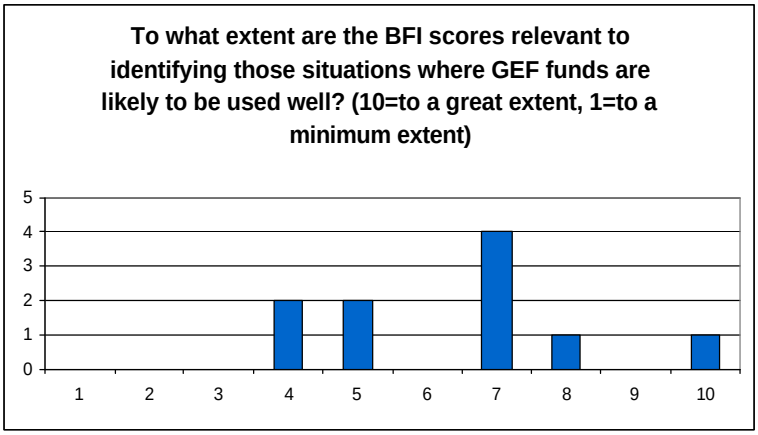
Question 4.12



Question 4.13

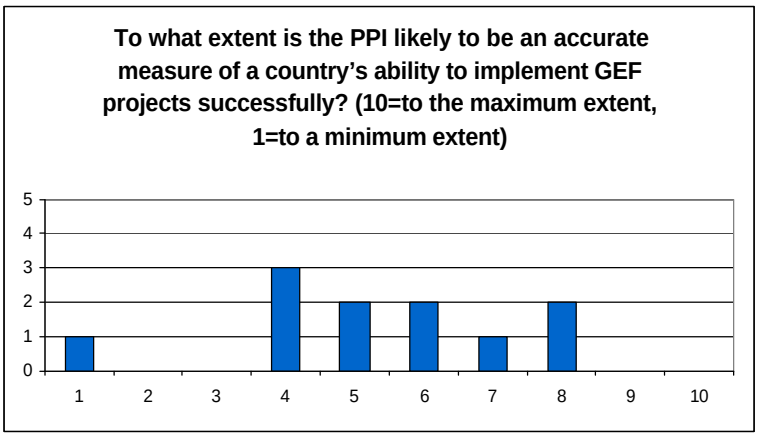


Question 4.14

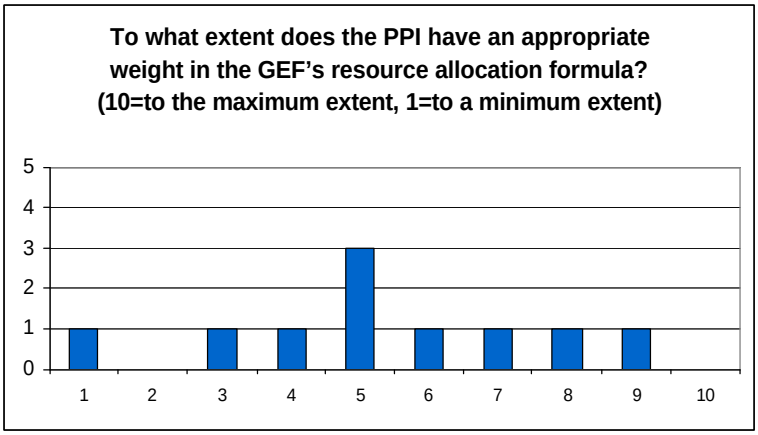


Concern 5: Is portfolio performance, as used in the RAF, measured as precisely as possible; and is it given the appropriate weight in the allocation formula?

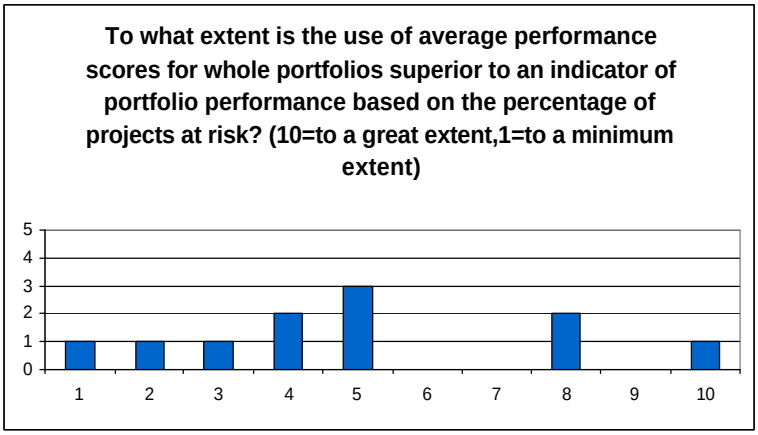
Question 5.1



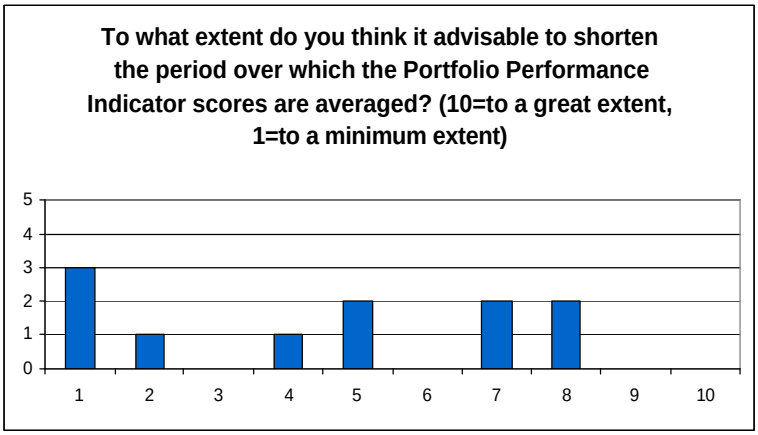
Question 5.2



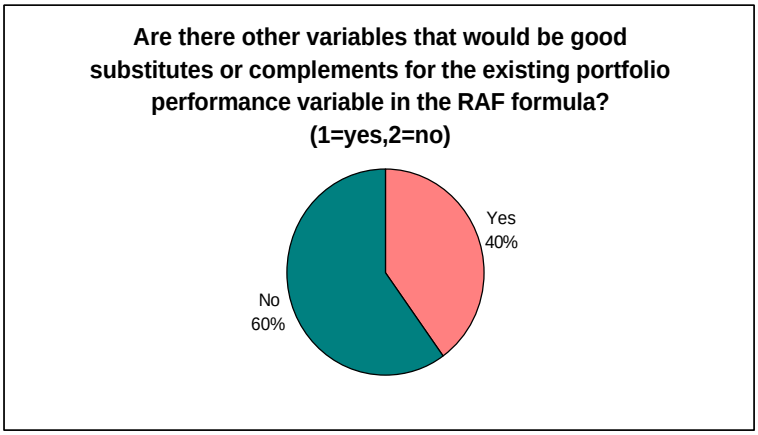
Question 5.3



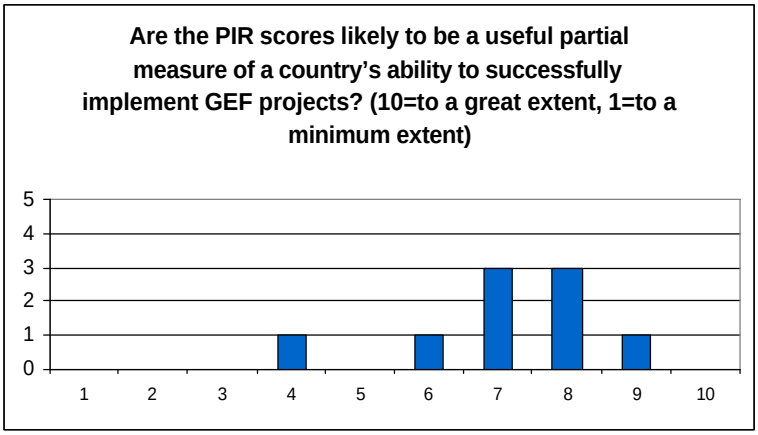
Question 5.4



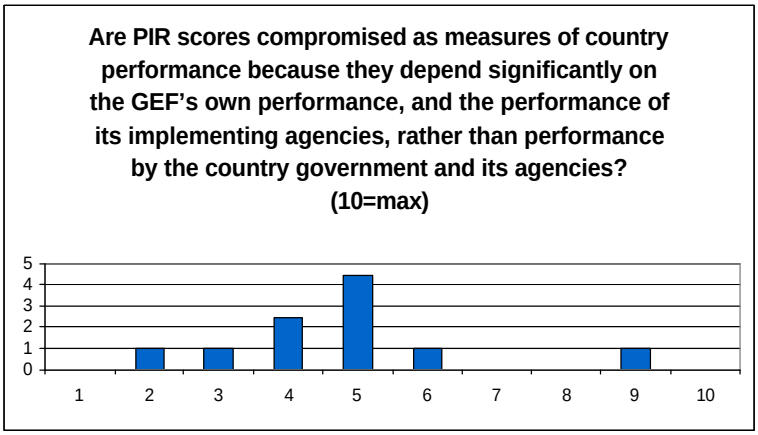
Question 5.5



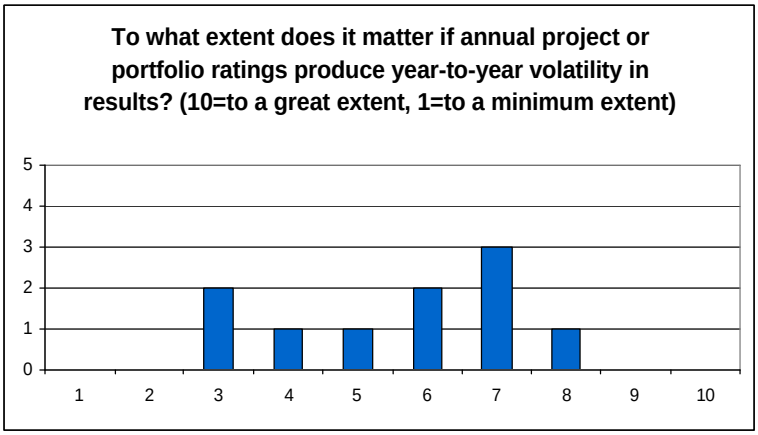
Question 5.6



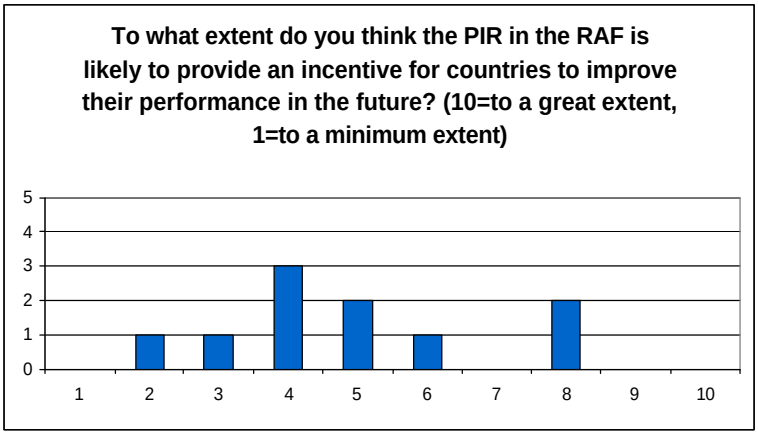
Question 5.7



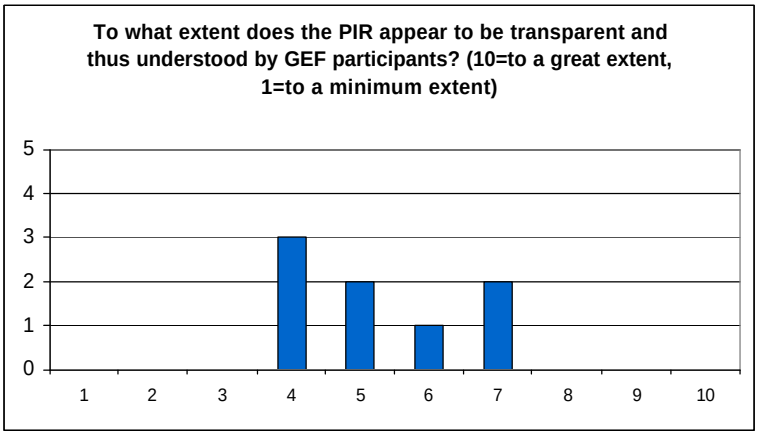
Question 5.8



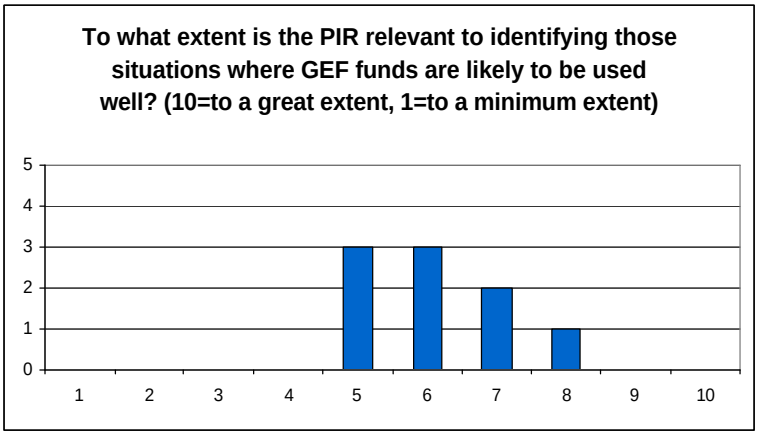
Question 5.9



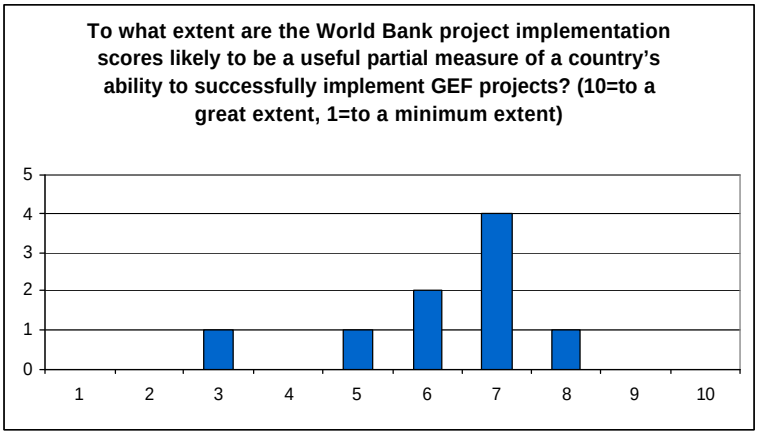
Question 5.10



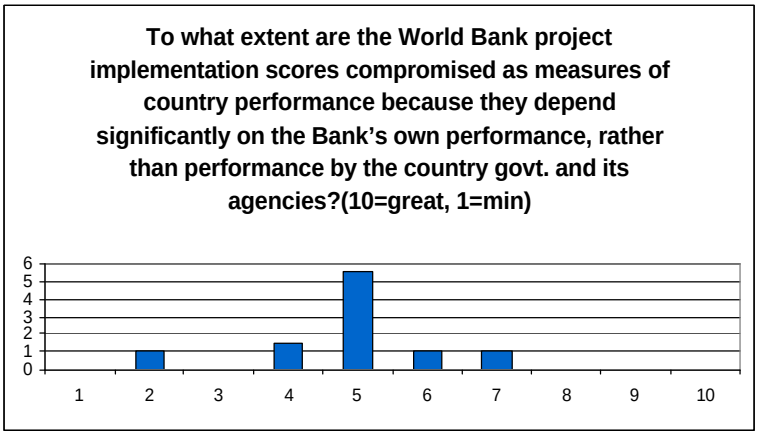
Question 5.11



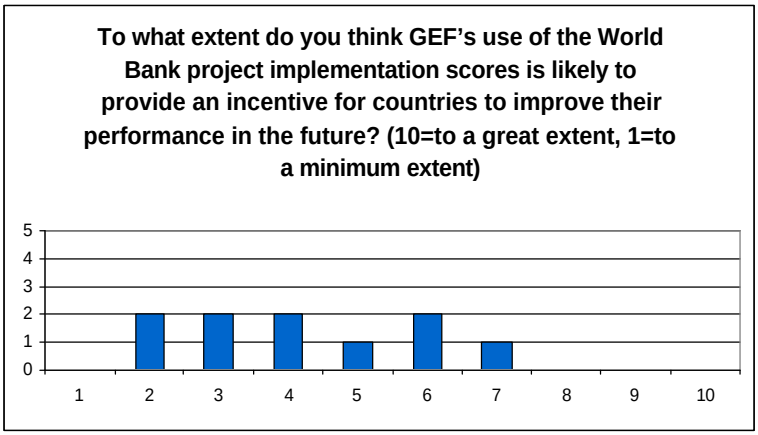
Question 5.12



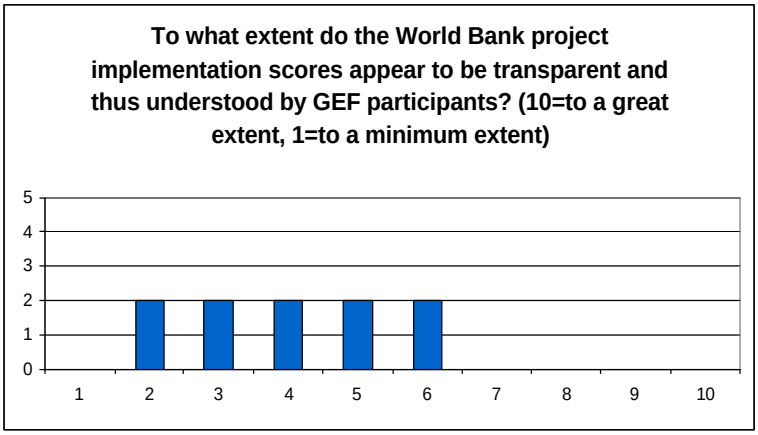
Question 5.13



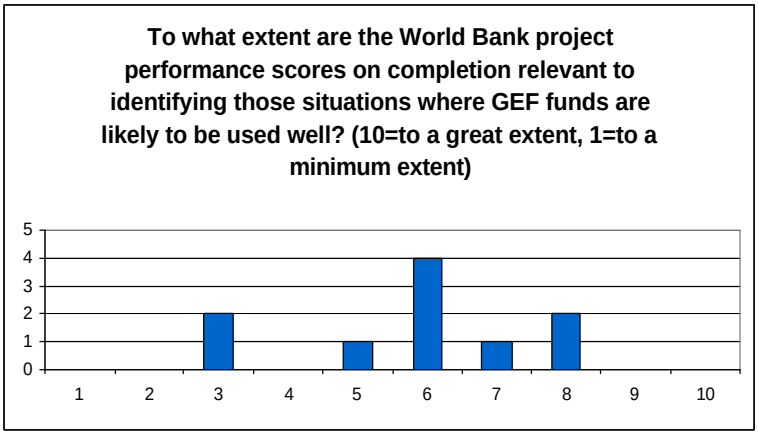
Question 5.14



Question 5.15

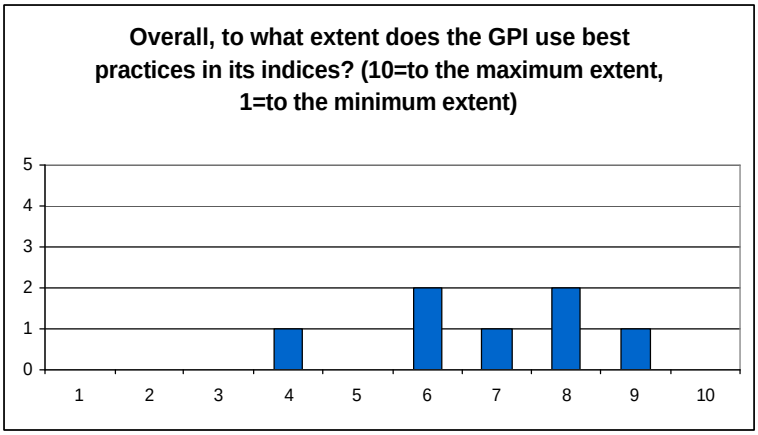


Question 5.16

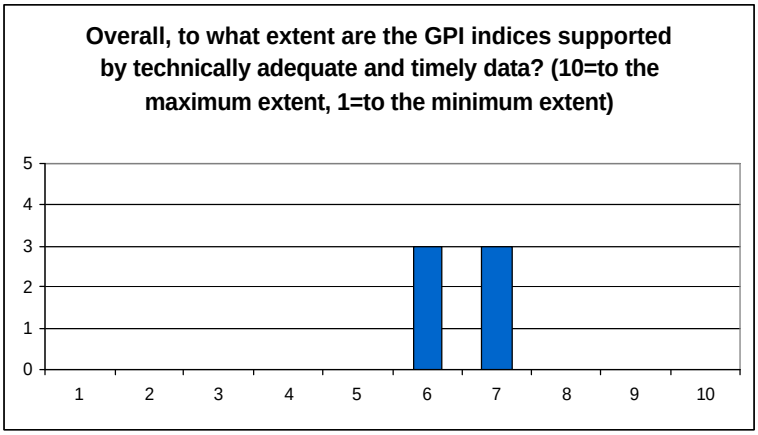


Concern 6: Overall does the GEF Performance Index (GPI) of the Resource Allocation Framework (RAF) use best practices to guide the allocation of resources?

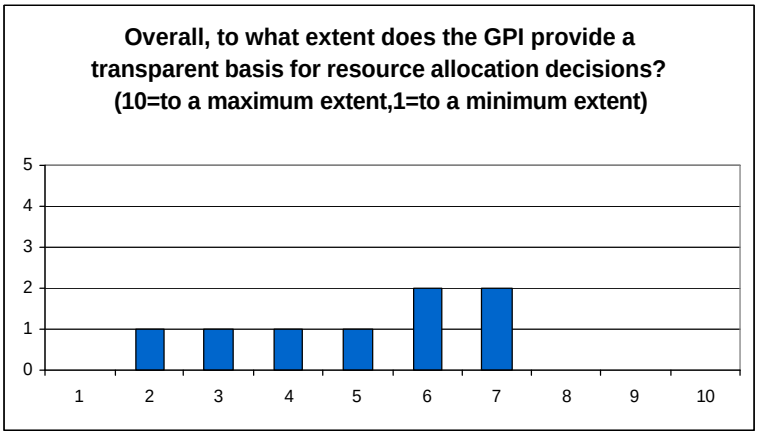
Question 6.1



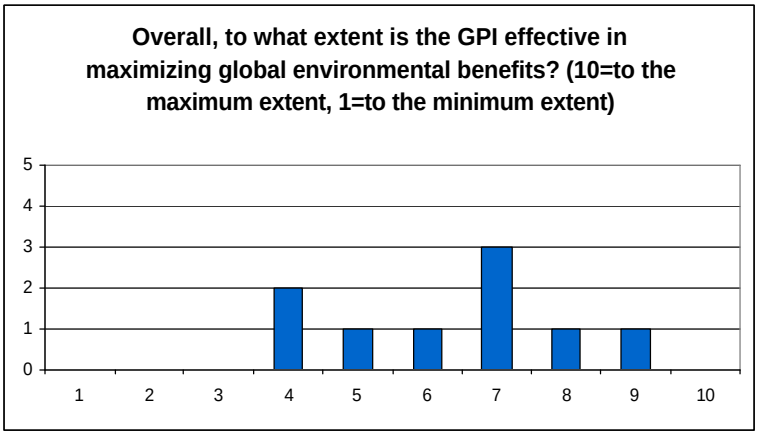
Question 6.2



Question 6.3



Question 6.4



11. Appendix E: Participant Comments

GEF Biodiversity Delphi: Summary of Participants' Comments by Concern

11.1 Biodiversity Delphi

Concern 1: The data used in the RAF GBI-BIO are not comprehensive and the taxa covered by the RAF GBI-BIO may miss important aspects of biodiversity.

Question 1.1: To what extent should the RAF be expanded to incorporate terrestrial invertebrates to the extent feasible?

- The availability of invertebrate **data is too patchy** to add to the synthesis - which needs robust, ideally uniform data sets, even for the limited taxa available - despite the important role of inverts, the imbalances, both taxonomic and geographic, of the invert data sets makes their inclusion of doubtful value.
- Very likely, **new information will not alter the already detected patterns**, as there is high **correlation** among groups.
- For marine ecosystems, we realize only for a decade that management plans must take the full ecosystem into account (FAO Ecosystem Approach for Fisheries), and not only the dynamics of exploited populations. There is no reason why it would be less important on land and in continental waters. Although **correlations** may exist with vertebrates and higher plants, I suspect this is a kind of conclusion reached in too few well cited examples to be general, and this need to be reviewed in the light of new paradigms.
- **Expanding lists of species does not address the functional aspects of biodiversity** (such as key functional groups) and stresses and old, "accountant" perception of biodiversity which does not state of the art concepts in ecology.
- It is more important **to think about whole ecosystem dynamics than a species by species approach.** To the extent that adding certain invertebrate species to the metrics would provide a more appropriate matrix of ecosystem coverage, then it might be important.
- More likely, it is **availability of data that would prevent use invertebrates** as well, but recent developments in biogeography modeling to predict species distribution could be tested.
- **Invertebrates include species crucial for provision of some ecosystem services** such as pollinators. Efforts should be made to include them, even if not all invertebrates can be included due to lack of available data.
- **Invertebrates play an important roles in the ecosystems**, and due to high diversity, it should be **consider including groups of species of functional importance** and provision of ecosystem services. This is particularly crucial in

ecosystems under intensive utilization for productive purposes (agroecosystems, forests, grasslands).

- Obviously**, invertebrates** can play a key role in ecosystem functions and services; in some cases, such as wetlands, **they may be the dominant factor**, and therefore, we should include them wherever possible.
- **Still unknown benefits from invertebrates may far outweigh those of the vertebrates**, at least as far as medicinal properties and importance in maintaining resilience specially vs. higher risk arising from climate change, effort should be exerted in including invertebrates.
- Most animals are invertebrates. The diversity of vertebrates in a region is unlikely to be a good predictor of the diversity of invertebrates. Thus **to omit invertebrates is to accept a significant bias in the assessment** of the relative importance of a region to the world's biodiversity. Certain invertebrate groups are quite well known, so there should be enough data to at least approximate the importance of the invertebrate biodiversity in a region relative to other regions.
- Knowledge of distribution of inverts is extremely unequal (between taxa and between regions) and this would introduce **biases**.
- Terrestrial vertebrates **are not fully representative** of biodiversity, amphibians are reasonable indicators of many taxa but birds and mammals are not congruent with most invertebrate taxa. It is essential that **biodiversity conservation be as broadly based taxonomically as possible.**

Question 1.2: To what extent should the RAF be expanded to incorporate marine invertebrates of special interest such as corals to the extent feasible?

- **Provided appropriate data are available worldwide**, this is likely to add substantial value to the marine fish information coral reefs are the hotspots for marine biodiversity conservation - the index should be allow coral reef rich countries sufficient allocation to address this priority conservation concern.
- Choosing corals would be a strong **bias** towards only certain kinds of waters (although adding deep water corals would help this).
- Even if the fish are the main taxa that interest humans, the fish depends on other marine taxa.
- See Beger et al (2008) that looks at **surrogacy re fish**, corals and mollusks. Fish are probably not best surrogate. Coral data is probably pretty good. This one worries me a bit given the broad distribution of many fish.
- Agree entirely on earlier comment about the ecosystem and human value of non-fish species. It seems important to try to rectify this, especially if there are valued ecosystems that are not particularly dense in terms of fish but are in terms of valued non-fish species.
- In marine ecosystems, **diversity provides a significant management tool** from the point of view of indicator species or communities, not as well studied as in the case of terrestrial ecosystems.
- Invertebrates, especially corals, but also other species are key to the provision of important ecosystems. They should therefore be included, even if only partially, according to **data** availability. By not including less researched/well documented

species we perpetuate that most of what we are loosing is what we do not know, therefore any step towards including more species is helpful to draw attention to these underrepresented (in our attention) species. However, this needs to be balanced against the costs of doing so. But even rough qualitative assessments could be included, you could keep the weights lower than for better documented species.

- Coral reefs are valuable as part of habitat support for certain marine life. High **economic values** from marine-based tourism, food and other products. It also seems a **more visible indicator for simpler, community-based monitoring** than other indicators of biodiversity.
- **FAO Ecosystem approach for fisheries is a justification alone**. Our new project in collaboration could be used when including SeaLifeBase for marine invertebrates (www.sealifebase.org) for data.

Question 1.3: To what extent should the RAF be amended to give extra weight for agrobiodiversity?

- The RAF GBI_{BIO} states that "land cleared for agriculture... is excluded" when calculating a country's terrestrial score. This is **an important omission**, since biodiversity associated with farmland and farming is an important part of human influence on the planet. A high local biodiversity related to agriculture should be rewarded, while monocultures of genetically identical crops should be penalized, in calculating a country's biodiversity score.
- One of the GEF biodiversity strategic priorities is **mainstreaming biodiversity into production landscapes** - the RAF GBI should therefore reflect both crop and livestock diversity (centers of origin/diversity/crop wild relatives, etc) and also biodiverse agricultural productions systems.
- Biodiversity generally is a candidate for types of agriculture; a) biodiversity in agroecosystems will tend to be similar around the world (same species worldwide); b) countries with high biodiversity but little agricultural land will be at disadvantage despite their obvious importance.
- Agriculture is still part of the living ecosystem (as are managed forests and rangelands) and as such should be included in an overall measure/index of biodiversity.
- If funding is earmarked specifically for protecting agrobiodiversity, then it might make sense to incorporate these data. However, it might be better to **develop separate biodiversity and agrobiodiversity indexes**, as the two may be quite different and potentially even in conflict with each other.
- Agree entirely with the views that agricultural monocultures create significant risks in lots of ways (ecosystemic, agro-diseases, human health, economic, etc.) and that agricultural diversity has been critically important for lots of reasons (culturally, economically, advances in scientific breeding, biotechnology, etc.). Also, for some biodiversity, agricultural lands (and urban lands) have been shown to be important sites of conservation (around edges and boundaries, along riparian zones, in production land that has left production, etc).

- Poorer segments of the population **farming in more marginal lands depend on well adapted species** in their specific area. Maintaining these options for the future is crucial and increasingly so under conditions of climate change, where most microclimatic conditions are expected to change. As the area under cultivation continues to expand agrobiodiversity will increase in importance, also to provide necessary conditions for other species. (e.g., feed or breeding ground etc.)
- Biodiversity that affects the production of foods, fuels and fibers, along with animal and plant health, is most important for human well-being. The homogenization of production systems, and the loss of traditional land races, wild relatives, symbionts etc has implications for global risks. Since local agrobiodiversity conservation has the potential to deliver more substantial global benefits than is currently recognized in the RAF, it should be adjusted to reflect this.
- The possibility of **biases and distortions** arising through its introduction to the data set is large and **not worth the risks** involved.

Question 1.4: To what extent should the RAF be amended to give extra weight for biosafety threats?

- Although (capacity building for) biosafety is a strategic priority for the GEF, **including biosafety in the index is not sensible** - if modern biotechnology is a threat to biodiversity (which is contentious), then an index based on biodiversity richness/agrobiodiversity richness will suffice to allocate resource efficiently.
- While this is not easily done currently, I think the effects of genetically modified organisms and the current practice of cultivating them on biodiversity and agrobiodiversity merits more attention. **GEF could contribute to this debate** by searching for an adequate means of incorporating these aspects into their RAF.
- **Sufficient emphasis** is being given to biosafety. What remains is national political will, and that can not respond to GEF funding.
- It would be **difficult to add biosafety in a formulaic way**, but I take the question to mean should **more weight be given to the global costs of local biodiversity** use in funding decisions than is currently the case, and the answer to that has to be 'yes'. If the goal is to secure the global net benefits from local conservation/use of biodiversity, then reducing the risks of transmitting emergent zoonotic diseases through managing local interactions with ecological communities, for example, may well yield greater net benefits than many other conservation actions - and this is not be picked up in the RAF.
- It seems difficult to envision precisely ho**w one would measure this issue**, but it is very significant. One approach would be to try to measure the sensitivity of local biodiversity products or ecoregions to deliberate or accidental releases of bioengineered life forms (which are only going to increase dramatically in number, scope, and frequency in the future, as synthetic biology becomes common), including genetic outcrossing. Another concern is the spillover of health policies: I have been to several meetings where large-scale destruction of wild species was actively considered as a strategy for combating zoonotic

diseases. These kinds of policies pose a clear risk for biodiversity, and GEF ought to be looking for projects that encourage alternative approaches.

- Biosafety is a **very important issue** in this globalized world, for humans, wild animals and domestic animals. There is a great impact of biosafety issues in conservation.

Question 1.5: To what extent should the RAF be amended to give extra weight to megadiversity countries and/or countries with biodiversity "hot spots"?

- Although one of the global public goods secured by biodiversity spending by the GEF is the information contained in the gene pool, and although this does make areas of high endemic species-richness, the **current criteria already give greatest weight to species-richness**.
- Although the RAF uses countries as its final output units, I **would not recommend using megadiversity countries** since these are **not biologically meaningful units**. Also, they and hotspots both are **duplicative** of ecoregion-based data, only using larger units.
- To a large extent, hotspot and megadiverse countries are auto-correlated with species richness - this would be **double-counting.**
- The hot spot criteria has been very negative in terms of biodiversity conservation, **leaving aside important ecoregions** around the world, and providing excessive emphasis to rainforest biodiversity, in which there is a lot of functionally redundant species, leaving aside areas with high functional biodiversity instead (for example, species adapted to extreme environments)
- Most hotspot countries *get a lot of attention already*, you might want to control if countries with very high amounts of locally endemic species are adequately considered (e.g., very small countries) and in correct the allocation in cases where this is not the case.
- Countries with high levels of threat, or species that actually need conservation action (RL-threatened species or endemics which can't be conserved elsewhere) should be prioritized. A 'hotspots' criterion would be OK for this, but it would be more appropriate to use species-level threat and endemism directly as criteria.
- Given tradeoffs between alternative sites it is important to look into benefits and costs, in relative terms. A weighting system in favor of these countries imply relatively higher expected net benefits expected from paying more attention to them.
- Any system that has "weightings" concerns me enormously. It is almost certainly indicative of a flawed system. It means you have multiple objectives. Separate them and do the allocation rationally.
- Hotspots countries are those that are very species rich (especially in terms of endemics) and that have already lost a great deal of viable habitat. **These should be privileged for urgent action**, and while threatened species gives some proxy value for these countries, there are many taxa that occur in hotspot countries for which redlisting is incomplete. Greater emphasis on hotspot countries would enable them to invest more in the conservation of all their biodiversity.

Concern 2: The current RAF may not rely on the best available data.

Question 2.1: To what extent are these the most comprehensive and reliable data available for these items?

- **These are the most comprehensive and reliable datasets available**, but note that unlike others the ecoregional delineation/characterization not based on clear and objective criteria and is not regularly updated.
- These are probably the most comprehensive and reliable data available for these items: the more important question is **whether they are the right items to determine biodiversity funding** and that is not so clear.
- Certainly **they are the best available at the moment.** Still they are incomplete, and the validation of data entered has to be improved. They are very good at global and regional when data are aggregated which smoothes errors a bit. In FishBase, we estimate that we have 5 percent mistakes, which is not bad, but as soon as you make a list **for a country**, or any restricted topic, **errors are spotted more easily, and become more problematic for end-users**.
- At a global level, these sources are the most current and have been used as part of several global indicator processes (CBD, CSD, etc.). However, at **national level** the classification exercises would also need to be conducted as species status at global level is not always mirrored at national level.
- These organisations try hard to ensure that their data are the best available. In many cases national data are no better, and in some cases, national data depend on the CSOs in the first place.
- Certainly that available data are reliable, but in my opinion it would be preferable also **extended to the regional level**.
- There are in some instances more detailed and appropriate studies done by other research institutions like **universities for certain areas and localities.** These should be researched and included in the index calculations.
- Apart U**NEP** databases, the sources are **NGOs**, and the procedures of collecting, processing and control are not precisely defined. At the opposite are sources like **GBIF** and **GTI**.
- Data from the biodiversity institute in Rome **(CGIAR)** should be used for agricultural biodiversity.
- the advantage of global data sets is that they have usually been subjected to the same criteria for data quality - thus although undoubtedly still incomplete, they probably have less potential to be "biased" or mis-representative of actual global patterns than do other data sets
- Marine species assessments should be included as they become available.

Question 2.2: To what extent are there data which the GEF GBI-BIO does not use and that give a more accurate depiction of potential for biodiversity conservation, promotion of sustainable use, and/or generation of benefits from the transfer of

genetic resources across borders and are also as comprehensive and reliable as those currently used in the GEF RAF GBI-BIO?

- There are few good data that could be used to depict "potential for biodiversity conservation, promotion of sustainable use, and/or generation of benefits from the transfer of genetic resources across borders". The world's funding agencies simply don't put enough resources into research into these areas of inquiry.
- **One gap is on ecological processes** such as migration: comprehensive data are available for congregations of migratory birds through the Important Bird Areas identified by BirdLife International.
- It is important to work with scientists to support them to analyze the data that they have using simulation programs like VORTEX. **Having the lists of threatened species is not enough.**
- With respect to use of resources, **data from trade monitoring bodies would be key** - fisheries and forestry info from FAO, species trade data from CITES (via UNEP WCMC); independent information from NGOs such as TRAFFIC.
- There are few extended information systems on genetic diversity. Cultivated plants and farmed animals might be the only ones with few other exceptions (e.g., until recently aquacultured fishes and aquatic invertebrates were not even considered as animals in CGIAR and FAO systems). So going to wild populations is worse. **Barcode of Life initiative might help to fill the gap**, although the goal is identification, not establishing map of species genetic diversity.
- There are no global data bases on the value of specific conservation actions outside of data on the marketed value of harvested species, **but the gap between the global and local value of conservation actions should be the basis for GEF funding decisions** (under the incremental cost principle). This means that those decisions should rely on an evaluation of the marginal net benefits of particular actions. This is hard to do formulaically, but it may be possible to assemble a data base of the global net benefits of local conservation projects that could be used to inform future project selections.
- The trend to rely on species lists and numbers as a criteria for evaluating biodiversity is far from adequate and in many cases misleading. **More functional, ecological information is needed regarding processes and dynamics, as well as complex conservation issues regarding management at the ecosystem level.**
- Data on agricultural biodiversity are found in the **biodiversity institute in Rome**. WWF has recently derived freshwater ecoregions based on new, state-of-the-art lists of fish species for freshwaters around the world. Those should be used.

Question 2.3: To what extent do there exist reliable, comprehensive data that would allow consideration of threatened/ endangered status of marine species in the same manner as terrestrial/ freshwater species?

- Almost everything that goes on under the surface of the oceans is unknown to us. We know a bit about some of the major vertebrate species because we prey on them, but our understanding of the rest of the biodiversity of the oceans is patchy at best.

- In many countries of underdeveloped regions it is very difficult to find financial resources to do research in the oceans. Many researches have to convince captains of fishing boats to do their work. In this way there is information starting to appear, which is very valuable for conservation decisions.
- **Not yet comprehensive, but the global Marine Species Assessment is filling this information in rapidly and should be used as results for specific groups become available.**
- A global assessment of status of marine species is underway and many of marine mammal and fish species has already been undertaken—both under the auspices of IUCN's Species Survival Commission.
- In addition to the good work by international NGOs and UNEP there also research data available for specific areas and locations undertaken by institutions with specific interest in those areas, e.g., academic institutions.
- IUCN Global Marine Species Assessment results should be incorporated as they are released; first results will be available this year and 20000 species from various vert/invert/plant taxa are expected by 2012
- In FishBase and SeaLifeBase, we allocate species to Large Marine Ecosystems, Ocean Provinces, and potentially to the new MEOW system, in addition to countries and FAO areas. FishBase has all species on earth allocated, but SeaLifeBase has only currently 30% of all marine animal species (if we include marine fishes). AlgaeBase might have developed such allocation for marine plants, or currently doing it. Protozoa, Bacteria, and fungi are still an issue. We could adapt other systems very quickly, although not for all species without manual validation. In addition, we have developed in collaboration the AquaMaps approach that could be useful to approach what is done for terrestrial species, because it modelize the probability of occurrence of species in half degree cells (see www.aquamaps.org for a detailed presentation). So there is a good hope that we could move forward, at least for the species where published and known information is enough.
- GBIF, GTI, FAO, among others.

Question 2.4: If you believe such data is available, should the RAF GBI-BIO take endangered/threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity?

- Assuming data are available, there is no reason not to.
- In the marine ecology and biology community, there is a controversy if there is any real marine invertebrate or fish global eradication. There are some cases reported and documented, but it seems that recent genetic studies have shown that it concerned subspecies or populations only, and that species still exist.
- **An ecosystem approach would be better than a species approach.**
- **Threat should be taken into account where such data exist. Where they do not exist, assessing threat is a critical first priority to guide conservation to where it is most needed.**
- For exploited species with catch statistics, it is easy to know the status of the populations in a country. For non exploited species, it would be a challenge,

although results from demersal fisheries can be extended as a proxy to organisms leaving in the same habitat due to destruction by trawl, or dynamite, or cyanide, etc.: this would become the ecosystem approach mentioned by the colleague. Another challenge is that by default in marine ecosystems, there are few abundant species and naturally many rare species. We collaborate with SAUP project in UBC, Vancouver to establish abundance estimations that could be useful for that matter. Also, we both have developed 2 different approaches to estimate vulnerability/resilience of species to threats.

- **In summary, exploitation data can be used as proxies.** After a second thought, **I am still in favor to use when they exist threat data, but in a slight different meaning than the strict IUCN one, maybe moving to ecosystem evaluation**: where species are threaten, the efforts should be bigger. Then the question might become: funds are given to those who already have success in their management, or, to those who have not succeeded yet to help them to implement good management. I don't see a big deal there because which country has already succeeded in that?): all are on the same ground.

Question 2.5: To what extent do there exist reliable, comprehensive data that would allow categorization of ecosystem types and their threatened/endangered in the same manner as terrestrial ones?

- FAO CBD EEA MEA Diversitas among others
- The fact that there is data paucity should encourage the GEF to be more involved in activities that would assist collect such data.
- Conservation International's Seascapes and Marine Hotspots List
- FishBase, SeaLifeBase, ReefBase, AlgaeBase, SAUP, WoRMS, WCMC, UICN; OBIS/GBIF. Although none apart from FishBase are comprehensive.
- My understanding is that The Nature Conservancy has such a system.
- Given existing the quality of the exiting knowledge base and the urgency for conservation actions, search more information will become a negative factor, leading to more money being spent in unnecessary, purely descriptive research
- The extent of coral reefs, mangrove areas and seagrass beds is known for the countries and can be used for the marine environment.

Question 2.6: If you believe such data is available, should the RAF GBI-BIO take marine ecosystem type and endangered/ threatened status into account for marine biodiversity in the same manner that it does for terrestrial biodiversity?

- In certain situations, proxies can be used. Predictive classifications based on phylogenies are established also for that. See the Systematics Agenda 2000 flyer.
- There is no reason for taking urgent action regarding sea conservation, and available information is adequate to that end.
- Lack of knowledge should not be used as an excuse for inaction - and should be a reason for encouraging projects that will in part generate such data.

Concern 3: The goals of the GEF Biodiversity Program are conservation of biodiversity, promotion of sustainable use of biological resources, and generation of benefits from the transfer of genetic resources across borders. The current RAF may not accurately reflect countries' potential in these three areas.

Question 3.1: To what extent is the list of countries qualified for individual funding biased toward one or two of these three goals at the expense of others?

- The **methodology is designed to emphasize conservation**, but this is the only aspect that is really feasible to assess, and likely to correlate strongly with the other two goals.
- **The index has no way to reflect benefit sharing** and **is loaded towards conservation** because it excludes agricultural landscapes which might, broadly, be some of the locations for sustainable use of biodiversity.
- The list seems **biased towards conservation** of biodiversity and less towards generation of benefits (and this should also be revised to include the issues of access as identified in the CBD); using country wealth (as calculated through the WB adjusted national wealth that includes considerations of natural capital) as a companion indicator to identify priority countries that need assistance in access and benefit sharing would be useful
- The **index focuses on large countries with many species** over smaller countries with few species. Ecoregions tend to be more broadly distributed across the globe and need greater weight.
- Benefit sharing **should be biased towards poorer countries.**
- The situation with **countries containing limited land masses** almost invariably biases scoring, yet in many instances such as the situation with island states there are no multiple ecosystems backup and threats are magnified.
- It is desirable to give more importance to the endemic species and threatened species become rare in the world to **prioritize countries for funding based on indexes**.
- The **listing for species** as a criteria for biodiversity conservation **is obsolete** at least. A more integrated, functional perception of the whole planet is required. The longer it takes to integrate all GEF actions under a unique holistic, integrative and functional perception, the worst for the world.

Question 3.2: The list reflects an emphasis on conservation that is much too high, about right, or much too low.

- The list reflects a non-functional, **biased assessment** of the global environment key needs and problems.
- There is an implicit assumption that traditional biodiversity conservation will yield the greatest net benefits to the global community. However, it is not at all obvious that this is true. Following the Millennium Ecosystem Assessment one would **expect the GEF to pay more attention to the (global) ecosystem services forgone by biodiversity change**. The current criteria do not allow this.

- Greater balance needs to be given to **local values to sustainable use and benefit sharing**.
- Successful biodiversity conservation, sustainable use and **sharing of benefits fits well** with the biosphere reserve concept with "concentric rings" of investment.

Question 3.3: The list reflects an emphasis on sustainable use of biological resources that is much too high, about right, or much too low?

- The list does not reflect management or production systems. There is **little connection with the real world** and the real complexities of biodiversity use, management, and conservation.
- It is clear to me that **sustainable development is second**, behind preservation.
- The **sustainability** of project outcomes **should be a necessary condition** for GEF funding rather than an objective. The objective is to secure the global net benefits of local conservation/use projects. Relaxing the requirement that project outcome be sustainable would allow projects that could be undone as soon as the funding stops, and this is not desirable.
- Could be given greater emphasis but hard to see how this could be done in an objective and quantified way.

Question 3.4: The list reflects an emphasis on benefits from transferring genetic resources is much too high, about right, or much too low?

- Since the aim of GEF funding is to secure the global benefits of local conservation actions there **should be a strong emphasis on benefits that are 'transferred' from one society to another**. The existence of such benefits should be part of the project evaluation process, and so should be reflected in the criteria.
- The index currently does not reflect this at all and I see no way that it can or should, so just about right!

Question 3.5: To what extent are there countries that qualify only for funding as part of regional projects that you believe should qualify for funding individually?

- The issue is either (1) the appropriate scale of funding for the project (if it needs regional funding, it should be funded regionally; if not, national funding should be used); or (2) the values and priorities of GEF (is GEF trying to support regional biodiversity conservation efforts, or is it trying to support individual governments). It seems silly to use the GBI to determine who can or cannot get individual funding.
- **Countries with dysfunctional governments need special approaches that cannot be addressed through regional projects.**
- **Smaller countries** with important tropical forest resources but (as yet) relatively **few threatened species seem to be left out**, such as Suriname, Gabon, Cambodia, Congo, Guyana, Paraguay and Guinea; also some small **nations with**

important endemic biodiversity and clear need for international assistance, such as Sao Tome and Principe.

- There are obvious **transboundary conservation problems that require both regional and specific countries actions**.
- Countries such as Liberia **suffer greatly from being included in the group allocation**. The need for GEF conservation investment is much greater than many other individual allocation countries (such as South Africa) that have much greater resources and for whom the urgency and opportunity are much less than for Liberia there are no countries that only qualify for regional funding - this is a misunderstanding of "group" countries perhaps?

Question 3.6: To what extent are there countries qualified for individual funding that you believe should not qualify for funding individually?

- All those listed should qualify - but **so should others presently confined to the regional groupings**!
- Although there is a fair degree of overlap between areas of high freshwater biodiversity – as measured by fish – and areas of high terrestrial biodiversity, there are some areas of high freshwater biodiversity that fall through the cracks if only terrestrial species are considered. Smaller countries may have proportionately less of the earth's biodiversity than larger countries but, **if biodiversity value were adjusted for country area might have more in some cases**.

Concern 4: The current RAF GBI-BIO favors terrestrial/ freshwater over marine biodiversity resources. Furthermore, the ways in which terrestrial and marine biodiversity funding priorities are calculated are not comparable to each other.

Question 4.1: To what extent is this weighting appropriate?

- **GEF priorities should be problem-oriented, more than ecoregion or ecosystem oriented**. In many cases, there is intense interaction between them, as for example freshwater-marine in river deltas.
- Countries can manage their terrestrial biodiversity effectively. **Marine biodiversity requires global management for effectiveness, and yet RAF is, by definition, national in its nature**.
- Marine should be given greater weight, but only when data are sufficient. It doesn't make sense to use currently insufficient data to guide funds more than the 20 percent influence marine already has. **Improving marine data so that 'marine equality' can happen soon has to be a high priority**. Or perhaps the two shouldn't be combined at all: **having allotments/scores for countries based on terrestrial and marine separately** could ensure that needed conservation funding flows to marine-heavy countries regardless of their terrestrial biodiversity and vice-versa.
- Countries with extended marine jurisdictions are institutionally prejudiced against.

- Maybe the **weighting should be balanced in function of the country situation**: as an archipelagic country, the Philippines development is much more linked to the seas than India or even more continental countries. So there is a need to find a way to weigh the weight (Ratio land area over EEZ?).
- By the way, we are doing to the sea what we have done already to terrestrial and FW environments all around the world: over-population (for coastal and deltas areas), over-exploitation, habitat destruction, and various pollution. We have enough data to document that, just look at the statuses of fisheries (FAO). We don't need more data, we have them. Just a big synthesis is needed but is it not already in MEA?
- The weighting should depend on the proportion of marine vs. terrestrial and freshwater species in each country. How do you currently treat countries without marine species, by adding 0.2 times 0 or by omitting the marine part? The **burden of conserving marine species is very unequally divided between countries**.
- The **number of species of conservable biodiversity** (i.e., not free-living bacteria in the sea) **is much greater on land** than in the sea- possibly approaching 20:80% most of the species on land are insects, which are proxied in the GEF criteria.

Concern 5: Reliance on the Performance Index (GPI) to assess the likelihood of proper project management (and thus cost-effectiveness and sustainability of projects generally) may not be adequate to assess the likely cost-effectiveness and sustainability of biodiversity conservation and sustainable use efforts specifically.

Question 5.1: To what extent should the RAF take into account costs of conserving biodiversity and/or delivering more sustainable use of biological resources?

- **Cost should not be the primary factor in determining RAF level**. This would punish countries rich in biodiversity who manage to conserve it efficiently.
- This seems a difficult thing to do and it is n**ot clear how costs should be interpreted** - favoring low costs (because a conservation opportunity) or high costs (because the investment needs are greater)?
- From a global economic perspective it makes **most sense to conserve in those places where conservation costs are lowest**. I do not see however, how this can be easily included in the indexing procedure. Cost effectiveness should (and hopefully is) however an aspect considered when approving individual project proposals. I would **giver preference to more cost effective projects.**
- Very poor countries such as LDCs ipso facto score low just by virtue of that fact. **Alternatives** may include a **biodiversity conservation rate per capita** or **spending per conservation return per capita**.
- **It seems important to factor costs into the assessment, but not formulaically**. Some highly costly projects must nonetheless be undertaken. On the other hand, some costly projects should clearly be foregone in favor of less costly alternatives that provide comparable or higher benefits. Of course, a lot of benefit calculations are going to net apples vs. oranges comparisons.
- Pouring funding into a bottomless pit in totally dysfunctional countries is no remedy - a cost/benefit analysis is at the heart of the RAF thinking.

- GEF should also **take into account the cost of non-conserving biodiversity**.
- If the aim is to secure the global net benefits of local conservation/use then cost has to be part of the analysis. The **incremental cost principle** depends on an evaluation of the difference between local and global costs and benefits. That principle directs funds to local projects that yield global benefits, but that would not be undertaken if assessed only on the basis of local benefits. Moreover, it fixes the level of funding at the difference between the local cost warranted by the local benefits of the project, and the global cost warranted by the global benefits of the project. It is difficult to handle this formulaically, but it can and should be part of the assessment. And yes, it would discriminate between projects that yield similar benefits (globally and locally) but whose costs differ.

Question 5.2: To what extent do there exist reliable comprehensive data or a project approval process that would allow incorporation of cost into the RAF?

- Cost-benefit analysis (incremental cost) does not capture the costs of conservation.
- Project follow up and effective review is very limited, and mostly a bureaucratic process with limited connection with the real world.
- There are some data but **not comprehensive** yet, and touching on specific aspects only - **does not seem a solid basis for incorporating into the RAF.**
- Research to be done in social and political sciences to have better indices. **Presence of demonstrated will, and good governmental agencies organization and transparent decision processes for environmental issues should be part of the RAF**. What we should be able to measure is the results, that sustainable development is improving, whatever the country pays for it: there are many things that can be done at no/very low cost: if countries are not able to set up these mechanism, why should they get more?
- There is no global data base of the costs and benefits of different conservation actions, but there are very well established methods for evaluating the costs and benefits of particular conservation actions, and these should certainly be incorporated into the approval process. There are also many meta-studies of the net benefits of conservation actions that deliver a wide range of ecosystem services, and could and should be used to enhance the RAF. I entirely agree with this comment and have therefore copied it. The current efforts undertaken to write a comprehensive report on "The economics of ecosystems and biodiversity" TEEB will probably improve this situation, at least by making pragmatic methodologies more available.
- This kind of data is emerging slowly - see papers by Balmford, Bode and Naidoo
- Balmford A, Gaston KJ, Blyth S, James A, Kapos V (2003) Global variation in terrestrial conservation costs, conservation beneﬁts, and unmet conservation needs. Proc Natl Acad Sci USA 100:1046–1050
- Bode et al. (2008) Cost-effective global conservation spending is robust to taxonomic group. Proceedings of the National Academy of Sciences vol. 105 (17) pp. 6498-6501

- Naidoo R, et al. (2006) Integrating economic costs into conservation planning. Trends Ecol Evol 21:681– 687.

Question 5.3: To what extent would taking cost into account in the RAF result in greater biodiversity conservation and/or sustainable use of biological resources?

- Applying such a yardstick **would always favor certain land or water masses** over some others - and move somewhat away from the propensity to conserve itself.
- Would make the RAF substantially more complex, but **doubt it would greatly alter the end allocations**.
- If lower cost options were systematically preferred the overall impact of GEF funds might be much greater.
- The only way of improving the state of global biodiversity is through **operationalizing projects that measure benefits and feedback to the ultimate goal**. Without some costing process - species, ecosystems and their functions saved or improved per dollar spent - there can be no long term investment from donors - who are interested in return on investment.
- It would allow for comparing different conservation strategies and favor better conservation, using less for better results.
- Using any resources more efficiently allows one to get more for less, so the question is really about whether one believes the current allocation to be more or less efficient. Since it is (a) formulaic and (b) places relatively low weight on the factors needed to compute incremental cost it is hard to justify the claim that it is efficient. Making it more efficient should substantially increase the conservation of biological resources yielding global benefits.
- This has the **potential to make allocation of resources more efficient** overall but I am **not sure if this is best done via the GBI or at the project level.**

Question 5.4: To what extent does the current RAF give sufficient weight to a country's ability to maintain proposed biodiversity conservation, sustainable use delivery, or implementation of biosafety safeguards?

- The challenge here is that this factor is calculated using the proxy of the overall governance figures calculated by the Bank and other international financial institutions. I see little reason to believe that these numbers are likely to be correct (even for straight financial matters, especially given how non-transparent they are) or why they should apply to conservation and sustainable use projects. The skill of the treasury department says relatively little about the capacities of land or environmental management agencies.
- Not much emphasized - hard to measure, but the skew of allocations to a few at the top of the rankings makes one wonder if they have capacity to implement and sustain the resulting project work
- The RAF is a step in the right direction - raising as it does the issue of governance and institutional capacity/sustainability - but for obvious political reasons, it is still quite soft. In the current GBI, **too many individual allocation countries**

have allocations way beyond their ability to implement projects even, **yet alone to sustain** the project objectives beyond the intervention.

Question 5.5: To what extent should the RAF be amended to take potential private sector involvement into account?

- I do not think that the private sector can worry seriously enough about the future to be entrusted with biodiversity conservation.
- Very important to encourage but **hard to see how to incorporate in the RAF** itself - should be **considered at the individual project level**.
- As private sector is part of environmental problem, it should be included. Let say 25% government, 25% private sector, 25% research and education, 25% NGO and civil society.
- Potential private sector is different to **confirmed private sector** participation; the latter **should be taken into account** in project consideration while the former should have less impact.
- The private sector (by which I understand you to mean business) controls the future of many natural resources (particularly genetic ones) and they should be brought 'into the tent.' Additionally, **it is not clear that the nation state is always the best and only hope for biodiversity conservation**. We must hedge our bets
- In some countries the role of the private sector has been demonstrated by the investments made, some times in collaboration with governments but most often with NGOs, in land purchase, cost of management personnel, facilities, etc. **These investments can greatly increase the leverage of GEF funds**, or at least, enable GEF funds to focus upon those items where private funds are NOT available.
- If they are not taken into account in project design and implementation it is hard to see how projects could satisfy even the most minimal requirements of the GEF. **There is no advantage in specifying just how the private sector should be engaged since that will vary from one problem to another**. But it would be possible to **assemble a data base of good practice** from the many conservation projects that have already been undertaken, and **use that as a preliminary screening device in the RAF**.

Question 5.6: To what extent should the RAF be amended to take into account a country's demonstrated performance in providing dedicated funds for biodiversity, delivering sustainable use of biological resources, or implementing biosafety measures?

- The only way to efficiently involve the private sector is if there is an economic impact directly (and not through national governmental pathways) on the companies themselves, including multinational ones.
- It might provide an important incentive to countries to start assuming biodiversity conservation as their own responsibility if GEF provides additional funds to more dedicated countries. On the other hand GEF projects currently allow for private initiatives to take place even in countries that are not very dedicated to

biodiversity conservation as it is easier to convince government officials to endorse project proposals that are funded externally. I think this question would **merit a separate analysis in order to find out how important and effective GEF funded efforts are** especially in countries not otherwise dedicated to biodiversity conservation.

- It would be good to encourage serious national effort to conserve biodiversity by increasing the amount available to cover the global benefits (the incremental cost of conservation). While difficult to measure consistently, a short checklist could be drawn up of best practice in legislation, policy and implementation and countries scored on this basis
- It would be **good to be able to reward efficiency** by enabling countries that co-finance or conserve at low cost to be eligible for further funding.

Question 5.7: To what extent does the limit on disbursing funds (no more than half a country's allocation within the first two years) influence the cost effectiveness of biodiversity conservation/sustainable use projects?

- Besides the argument that in countries with small allocations it might make sense to bundle resources of shorter periods, **it is often the case that biodiversity conservation is cheaper the earlier it happens**. Studies have shown, that costs of conservation can increase very rapidly as species become more endangered. On the other hand **it is important that efforts not be rushed beyond the implementation capacity** of whoever does the project. Therefore I think it makes sense to release the restriction at the RAF level but ensure at the project approval level that funds are well justified also over time.
- For countries with a group allocation which may be small **it may preclude launching an economically sized project during the first half of the replenishment**.
- Probably a good idea for the few countries with very large allocations; for others, **it may prevent viable projects being carried out at all.**
- There are many countries who cannot implement projects of any significance because 50% of the group allocation is a meaningless amount of money. It would be **much better to encourage efficiency and effectiveness by rewarding good behavior through the RAF**.

Question 5.8: To what extent does the limit on disbursing funds (no more than half a country's allocation within the first two years) influence the longer term sustainability of biodiversity conservation/sustainable use projects?

- **It favors going for medium size rather than full size projects** - indeed it may preclude a full size like it is with many SIDS.
- The **extent of private involvement is critical for the long term** since once GEF funds no longer are available, and only limited government budgets are on line, it is often the private sector and NGOs that will continue/or not/ to fund various activities including R and D, facilities development, marketing of sustainably produced products, etc.

Concern 6: Using indicative allocations to guide funding decisions may remove competitive pressures among nations to secure GEF funding thus (1) reducing the quality of the proposals submitted in terms of potential to provide global environmental benefits and in terms of cost effectiveness and (2) preventing the GEF-Secretariat from producing coherent funding portfolios.

Question 6.1: To what extent do you believe that using indicative allocations to guide funding decisions influences the quality of biodiversity proposals?

- It could in principle **favor better planning and longer-term strategic approaches**. However, it seems clear that **countries with individual allocations are regarding this as an entitlement**, which **reduces the impetus to produce outstanding, highly competitive proposals**; and as a ceiling, which makes it much harder for NGOs (which often produce the most innovative and effective projects) to win endorsement for their proposals. **Fundamentally an unhealthy approach.**
- Countries can now plan better, and use the country-specific allocation as leverage to negotiate co-financing on a country-by-country basis. Grouping as an approach as is with regional projects also have pros and cons.
- **Delivery depends more on the capacity of the recipient organization than on how the allocation is calculated** - some countries might see the indicative allocation as granting them rights to spend the funding however they like and to free them of the tight monitoring and evaluation systems that GEF has tried to implement - at great irritation to some recipients - in the past. In other cases, it can free up the time of both GEFSEC and recipients to focus on the implementation of work rather than the energies needed to succeed in a highly competitive project cycle.
- I have never believed that competition is a better model (or a worse) per se because it induces cheating almost immediately. In fact, **whatever the model, all depends on the controls that are set up.** And it is not easier with **competition** than with the pre-allocated ratios.
- I think we have to **study the projects case by case** basis according to their relevance in the conservation of a species or an ecosystem unique in the world.
- The **impact of competitiveness across countries is constrained** by the limitation of interaction among their institutions**. It is support to the weak rather than competition that can help**.
- **The allocations system has dramatically reduced the quality of GEF projects** as each country believes that the allocations are its sovereign right and that any independent organization (e.g., civil society group) that acquires GEF funding takes away some of that entitlement. The government is thus encouraged to submit proposals up to the level of its entitlement even if they are very poor quality, and to exclude civil society from the process.
- There are some fundamental weaknesses in this approach, yet it appeals operationally and politically. Every one gets a piece of the action. But clearly, there are those countries that for reasons of their natural endowment, or their

particular economic or human capacity situations, simply need more assistance IF the global community is to receive overall benefit from these investments. That said, such a methodology require less numerical analysis and more subjective approaches.

Question 6.2: To what extent do you believe that using indicative allocations to guide funding decisions influences the coherence of GEF biodiversity funding portfolios?

- As long as biodiversity importance is assessed in terms of species numbers and not in a more integrative, holistic environmental vision and understanding, GEF will be missing the key environmental problems that affect the whole earth and mankind.
- Countries are encouraged by the allocations to act in a nationalistic way in order to access the whole of "their" allocation. They are not encouraged to collaborate with other countries or share "their" allocation with civil society groups, so **coherence is lost.**
- Like other rationing mechanisms, the RAF affects the selection of projects and the composition of the overall project portfolio in ways that **are likely to reduce its overall coherence and effectiveness**.
- In theory, this should permit better planning and coherence; in practice, it is hard to see how this can happen easily, and the likely decline in project quality and civil society involvement far outweigh this benefit.
- If the appropriate controls are set up. Maybe the choice by country or by group should not be exclusive. A little flexibility would not harm.
- **Streamlining the project cycle** can have benefits to effectively and efficiency in both GEFSEC and recipients - **giving GEFSEC time**, perhaps, **to focus on the big picture rather the endless process of project cycle administration**.
- Both the country and GEF would be given the stimulus to optimize their decisions on what project to fund if indicative allocations are made.

Question 6.3: To what extent do you believe such an option would enhance the performance of the GEF?

- This option **will make GEF less effective** at dealing with the real key environmental problems that affect the earth, because will be entangled in a long series of complex numeric, artificial, misleading criteria under an apparent image of objectiveness.
- Like in any financial resources based situation **knowing what you have or have access to poses for better planning and programming**. It should be based/linked back on/to biodiversity resources.
- **Grouping countries** would have the desirable effect of **improving project quality through competition**, but **also encouraging more multi-country projects** that address conservation across boundaries.
- The optimization in deciding on what project to fund would apply country level pressure to perform effectively if an indicative allocation is made.

- Such a numerical/objective system to guide decision making indeed can APPEAR to enhance performance given the methodology you have chosen. But, such fundamental concerns like ecosystem function and process are apparently absent from the analysis, and your methodology can cover up those issues under what appears to be an efficient allocation system.

Concern 7: The RAF may not be sufficiently transparent.

Question 7.1: To what extent do the formulas used to calculate the RAF biodiversity score make it difficult to understand how indicative funding allocations are arrived at?

- The vast majority of persons working with the RAF **have no idea at all how the GBI was developed and is calculated**.
- This again **favors the more studied areas** than the less so.
- **Agricultural biodiversity should also be included in** calculating the GBI –BIO.
- **The approach is complex**, with weightings that are not clearly explained or justified, and very hard to understand for a non-ecologist (the way that ecoregions are handled is especially confusing). It would be interesting to correlate the rankings with those obtained by a much simpler and more transparent system, such as simple species richness across a set of terrestrial and marine groups. One suspects that a combination of a couple of quite crude (but easily understood) measures may produce very similar rankings to the complex and opaque RAF biodiversity score.

Concern 8: The RAF may not produce indicative funding allocations that are sufficiently equitable.

Question 8.1: To what extent does the current RAF result in too great a concentration of funding (too large a share allocated to too few countries)?

- By definition, **GEF** deals with GLOBAL problems. Therefore**,** it **should fund the countries of greatest conservation priority globally, except those which have the ability to pay for conservation within their borders**. Because biodiversity, threat, and cost are highly unevenly distributed, the countries of greatest conservation priority will necessarily be a subset of the globe and funding should be allocated disproportionately to them.
- By definition, GEF deals with GLOBAL problems. Therefore, **all countries should be considered, according to specific problem as and needs**.
- There is a **fundamental inconsistency** between an index based on national biodiversity richness and using this to decide on the allocation only of the incremental cost of capturing global biodiversity benefits.
- The huge grants given to some countries **reflects their biodiversity more strongly than their capacity to effect conservation - so big risks are being taken.** But unless risky investments are made in the conservation of mega-

diverse countries, huge opportunities will be lost. Playing safe with more equitable grants on some more 'democratic' basis does not make sense in the high risks playing field of biodiversity conservation.

- **Agricultural biodiversity should also be included in the GBI-BIO.**
- **The rankings are severely skewed at the top end**. There is a fundamental problem with this approach, in that (given that GEF provides such a small proportion of the actual investment needs) much more depends on the effectiveness of individual projects, in whatever country, than on scaling national allocations precisely. There seems likely to be **a curve of diminishing returns** (how many really good GEF projects can even the biggest national recipients undertake?) that **suggests there should be a more even distribution of the resources.**

Question 8.2: To what extent would a more equal distribution of GEF biodiversity funding result in greater biodiversity conservation and/or sustainable use of biological resources?

- If the real global costs and benefits of local conservation efforts differ from one country/ecosystem to the next, **sharing the pot of money** allocated to biodiversity equally **can only increase the inefficiency of GEF funding**.
- The **distribution of biodiversity** around the globe **is asymmetric** - and thus **funding to conserve it cannot be equal between all players**.
- **Some smaller fraction** of funding must be more **equitably distributed**.
- Even if not directly proportional to the number of species in a country **the load of conserving biodiversity increases with the species to be conserved**.
- It makes sense to apportion resources according to global biodiversity benefits, but this might be on a category scale that would lead to less extreme differences, and that could cluster countries in groups as well.
- Avoiding disparities between neighbor countries accessing to the same large ecosystems. **Funding** should be also **centered around large ecosystems** hence **the idea of groups of countries is consistent**.
- Should not repeat the error of having spent so much many in rainforest ecosystem ignoring other ecoregions equally significant and diverse in terms of functional biodiversity, not only in species list that in some cases are highly redundant (attention focused on too many species adapted to humid tropics, very little attention to the few species adapted to extreme environments, for example)
- A world that maintains as high as possible measure of **average biodiversity richness as being better than one with high biodiversity in a few countries and nothing in others**.

Concern 9: The information used to guide funding allocations may not be relevant for guiding selection of specific projects for biodiversity conservation, sustainable use promotion, or generation of benefits from the transfer of genetic resources across borders.

Question 9.1: How relevant is the information contained in a country's GBI-BIO for guiding the selection of specific biodiversity projects?

- Endemism/irreplaceability are more important than richness at both the national and site level and should be incorporated.
- The relevance of the information is primarily determined by its accuracy and comprehensiveness. Poor data sets are certainly irrelevant - but using good data, the GBI-BIO is a big step forward than working in the dark. **Within country priorities need great detail of information and of opportunity** - even the richest sites of biodiversity importance might provide less return on investment if they are sitting on top of an oilfield - some **trade-offs might be needed in some countries**.
- The **specific projects** that need founding are **best determined at the country level** since the decision should be sensitive to local conditions.
- There seems to be a disconnect between the scale of the unit of analysis (the country) and the scale of most biodiversity projects (much smaller). Although the **GEF allocates funding to countries**, it would seem to **make more sense to retain ecoregions** – terrestrial, freshwater, and marine – **as the units of analysis for the RAF**. If a project fell within a high-priority ecoregion – as defined by the RAF – it could get preferential or proportionately greater funding. But even ecoregions containing proportionately less biodiversity can still encompass smaller-scale areas of high biodiversity value (e.g., peat bogs, cave systems) that should not be overlooked, and these smaller sites may be highly appropriate for individual biodiversity projects.
- Just taking into account the biological issue (and GPI) but **miss socio-economics**.

Question 9.2: To what extent should the information contained in a country's GBI-BIO be used to choose among specific biodiversity project proposals?

- Only at the most broad and general level - much more information is needed to assess at the project scale.
- Checklists can reduce the cost of allocating resources, but they will also reduce its effectiveness. **Individual projects should be evaluated using clear and consistent criteria according to the incremental cost principle.**
- **National vs. project data relevance should be evaluated case by case.**
- **Country-level GBI is key information but cannot replace project-level data.** The two are complementary and both are needed.
- In situ evaluation should complement information provided by the country
- The GBI-BIO information is too broad for within - country priority setting. **Where biodiversity assessments can be made through systematic conservation planning tools, then finer scale criteria can be used** - within the

specific socio-political environment of the recipient country. The use of NBSAPs should, if properly drafted, be the primary guide to project selection.

- The GBI gives an **overall allocation to countries based on "total" biodiversity potential - individual projects address some but not all aspects of this diversity, so the total index has no relevance to individual projects**.

Question 9.3: To what extent would using the information contained in a country's GBI-BIO to choose among specific biodiversity project proposals help reduce the time and effort required for preparation of project proposals and for making funding decisions?

- The specifics of variables required will be local in nature; but the GBI-BIO is country wide and would, therefore, only confound decision-making.
- **It hardly applies to decision-making at the project level.**
- Specific problems and environmental issues change at great velocity, and the rate of change will continue to increase. Therefore, static, **semi-permanent characterization of a given country may be misleading.**
- **The GBI-BIO index is of little use to determine within country priorities** - the NBSAP is the appropriate guide - plus SCP and fine-scale planning tools.
- One benefit of using the GBI is that nearly any project proposal might be able to find information to back up claims of high biodiversity value, as there are multiple global prioritization schemes and relevant global datasets out there
- At a minimum **the RAF should identify a set of accepted and rigorous global or regional datasets that can be referenced by a project proposal to justify its biodiversity value**. It will be important that the scale of a project, and of its biodiversity targets, is matched to the scale of the dataset. A project to protect an alliance for zero extinction (aze) site might reference that dataset rather than a global ecoregion dataset, for instance.
- Numeric indicators are easy to construct and to manipulate but we have to remember that mathematics is only a way to represent the reality, not the reality itself. So sure it gains time, but do the numeric indicators serve the purposes they were created for? For example, with respect to marine biodiversity, in almost all (all?) countries, how to include the impact of the bad fisheries management that everybody knows but is not quantified because no government accepts to face the situation (for various reasons)? Still, it is a major issue for marine environment, and certainly to be taken into account in GEF assessment.
- There's no question country-level information will cost less than project-specific data to collect/evaluate, so the answer to this question is "yes it will reduce time and effort to prepare proposals and make decisions". But that does not mean that those proposals or decisions will be good - **good proposals and informed decisions will require complementary information at the project level.** This will undoubtedly increase cost, but a modest amount of project-level information will also be worth it.

Question 9.4: If you had the opportunity to change the way in which the GEF allocates funds to assist the GEF in maximizing the extent to which it meets the goals of the biodiversity focal area given its limited budget, how might you do things differently from the current RAF system?

- A better system would: a) develop a **more integrated, holistic approach to environmental problem solving**. b) Integrate areas as much as possible Global change, biodiversity, desertification, etc. under a unifying perspective, c) increase integration and articulation of GEF environmental projects with World Bank's development projects, avoiding conflicts and contradictions and d) include a more strict, effective follow-up and monitoring of funded projects.
- Currently in small counties at least the GEF is government driven. It is impossible to proceed with GEF applications without government support, this means that projects are diverted into politically motivated programs and not sustainable conservation. Along with many other NGO practitioners, I would not consider an application to GEF because of the inevitable government interference in the program which is inappropriate for genuine NGOs. **It is important that a fully non-political route be provided.**
- See comments above about **moving away from country-based scores to both ecoregion-based scores** – using terrestrial, freshwater, and marine ecoregions – and also perhaps referencing the most appropriate (in terms of scale and content) global and regional datasets individually rather than attempting to incorporate them into a single index.
- **The RAF framework is appropriate given its focus on the potential for the delivery of conservation results. The problem**, as stated by several people here, **is that once the allocation is thought of as a "right" by a country it becomes political and not technical. Some way of rewarding efficiency and participation is required**, although it is difficult to see how to do this a priori without infringing sovereignty. Perhaps this could be done by **analyzing what the RAF process has left in terms of significant gaps** (in the same criteria that the RAF measures for priority-setting**) at the national level and offering grants to fill those gaps** - thus recognizing that countries were not able to fill those gaps themselves but that they can be helped to do so by collaborating with partners. **The countries would be helped by accessing additional funding but the governments wouldn't be eligible for the funding, so have no incentive to perform poorly just to get the increased allocation.** Equally they would be seen to have performed poorly on a public stage and thus this could be a mechanism for them to acknowledge they need more help.
- **I would advocate a multi-digit index, 5 max 7, and make group various values together so several different realities could be taken into account as equivalent.** Also the usual problem using only numeric indices is that people work for the index and not anymore for the reality it is supposed to represent. So in addition to these multi-digit numeric evaluations**, a part of data-independent assessment in a second step to correct the roughness of numeric indices based on a number of textual information.** And if it (I mean the search for other indices and evaluation process) is subject to research, fuzzy logic should be

involved; it would give far better results than a simple linear combination of values.

- This is a tall order! The RAF is a step in a particular direction and needs to demonstrate its success. It is clearly not politically popular - but no system of global scale can meet every country's expectations. Let the current RAF run its course, and review, as with the present Delphi, the progress. I personally am convinced that **a blend of 'triage' and enabling activities is best. RAF is a triage approach - with the 'group' funding, if carefully managed, can extend the 'enabling activities' that UNEP provided in the first decade of GEF. One must sustain capacity building and institutional strengthening as widely as possible.** But to really get to grips with an alternative model for GEF, a carefully structured think tank of experienced strategists with real, demonstrable success in mobilizing GEF goals with GEF funds should be convened to develop a new business model for GEF - building on success rather than frustration.
- POPs needs more allocation of funds to implement the Stockholm Convention climate change is eclipsing this....if not this will be a major problem for the world as more chemicals are listed & nothing can be done about them...
- Unfortunately, in many governments there remains a lack of capacity and perhaps political motivation to determine a truly objective and balanced perspective on priorities. **Needed is an additional dimension to the methodology that can capture perspectives from other communities, and at times, seek the leadership of universities, NGOs, and local groups, in order to both seek capacity, and a less political framework for project design.** Open roundtables and dialogues are among the options, even though this might well draw governmental claims of interference of its unique prerogatives.

11.2 Climate Change Delphi

GEF Climate Change Delphi: Summary of Participants' Comments by Concern

Concern 1: To what extent do the global environmental benefits indices relating to climate change reflect best available scientific data and knowledge?

- The carbon intensity of a country measures the tons of carbon equivalent emitted by a country per unit of economic activity (GDP). **Only carbon emissions from fossil fuel combustion and cement and the emission of other GHG gases were included in the baseline GHG emissions. GHG emissions associated with land use changes were not included.**
- **Coverage of GHG emissions in National communications to the UNFCCC is still too limited to cover all of the countries eligible for GEF support in a consistent manner.**
- **Overall it seemed like the most useful indicator to measure a country's mitigation potential was either per capita GHG emissions or energy intensity.** It was found that energy intensity was reasonably strongly related to good policies and structural economic changes but not to sudden crises. Energy intensity was also found to be reasonable strongly related to energy efficiency measures compared to renewable energy use. Efforts in CDM and carbon trading for the climate change index were considered to be not very relevant.

Question 1.1: Does GBIcc achieve what it sets out to do, by giving larger benefits to larger emitters and rewarding countries that reduce carbon intensity? Or does the formula simply reward high economic growth between 1990 and 2000?

- While the GBIcc may logically create a link between high emissions and high potential for emissions reductions, **it also lays the foundation for a skewed allocation of resources among developing countries from the GEF, basically providing less resources to those who might be most under-resourced** with respect to undertaking climate mitigation and adaptation actions.
- GBIcc will obviously result in larger benefits to larger countries (which are likely to be larger emitters as well) and relatively less benefit to smaller countries. The **bigger countries, and those that have already reduced their carbon emissions significantly, have enough experience and capacity regarding GHG mitigation (through GEF support and CDM projects) and have generated enough momentum to carry on even with less GEF support.** Also it is likely that cost-effective GHG mitigation options have already been implemented in these countries.
- Some of the reasons set out as to why the GBIcc does not make very good sense is that **not all GHGs are covered, particularly not those from land-use change, or industrial non-CO2 emissions.** For many LDC's, non-energy GHG emissions dominate, so that the exclusion of agriculture and LULUCF emissions distort the index. Land use change, especially deforestation, brings countries such

as Indonesia and Brazil much higher on the list than rankings based on carbon. For many developing countries emissions from LULUCF are the highest with the greatest low cost mitigation opportunities.

- Some respondents indicated that **carbon intensity reveals nothing about relative costs of emissions reduction and hence cost effectiveness of emission reduction measures** sponsored by, for example GEF or CDM.
- It was stated that **neither the over-all size of emissions of a country, nor its economic growth, are reliable proxies to getting the most emission reductions for the money spent.** Even with high economic growth, emissions intensity would still not necessarily decline so the formula should reward most the largest emitters with the greatest decline in carbon intensity in this period. The main drawback of the formula is the energy/industry focus when a large share of emissions in developing countries comes from other sources (or are in the form of methane or nitrous oxides). In parallel, there should be more effort to provide more comprehensive, comparable and frequent inventories to allow more choices for this type of exercise.
- **The more fundamental question is whether total emissions and reduction of carbon intensity (even if it were captured by the index) is the best basis for allocating funds.** It seems unreasonable that the key metric is total emissions, and that carbon intensity (module the change between 1990 and 2000) is ignored. Countries with the same total emissions but very different carbon intensities (and thus, implicitly, efficiency) get treated identically.
- **It was suggested that achieving the greatest global environmental benefit should not simply be translated into getting the cheapest reductions now, but getting the reductions with the greatest long-term effects.**
- **The formula gives larger benefits to larger emitters and more rapid economic growth for 1990-2000.** It does not reward countries that reduce carbon intensity, energy efficient economies and low-carbon emitting countries such as small-island states and LDCs.
- **Some respondents found that the use of intensity measures based on GDP as a criterion for a climate change indicator is flawed and that the growth rate of GDP during the 1990s is not at all a good indicator of mitigation potential.** On the contrary, countries with high emissions intensity and low growth are likely to have a higher mitigation potential (e.g. countries in transition). The question of PPP versus MER should be addressed. The GBIcc uses data that do not well reflect the situations of developing countries (e.g., GDP, MER or PPP, is a poor measure of economic output in countries with large informal sectors). Furthermore, GDP misses the wealth created in the informal sector which is also of high relevance in LDCs. Although not obvious in the beginning, the simplification of the formula clearly shows that higher GDP provides for a higher GBI_{CC}, with limited link to CO2 performance improvement. Sector wise indicators may give a better view as GDP overlooks unregulated sectors.
- **The choice of the baseline years is very arbitrary, as is the 10 year lag.** The world in 1990 was fundamentally different (e.g., Soviet Union on the collapse) than it was in 2000 and 2010 will again be very different (e.g. rise of China, India, Brazil). The geographical distribution of emissions have significantly changed

since the year 2000. Further, it emphasizes technological development (carbon intensity/GDP) and does not account for different environmental conditions (e.g. Canada is cold and large, Rwanda is warm and compact). One base year is also arbitrary. It is useful to include historical development paths and economic structure in the index (e.g., the history of USA before 1973 or development in China or Caribbean countries living from tourism). The emissions profiles of many countries, e.g. China, have changed significantly since 2000. At any rate the GBI_{CC} should be updated each year or every other year according to the latest available data. The index rewards countries that have reduced their carbon intensity levels in 2000 compared with 1990.

- **Mitigation should either focus on lowest cost options first or promote technology development. The index does not promote either option.** Rewarding previous success is fine, but using the GBIcc doesn't necessarily ensure such rewards.
- A respondent recommended the use of the following index: (Emt+n/GDPt+n) / (Emt/GDPt), with t time or year, and n number of years. If the result is greater than 1, the country is worst and if less than 1 is better. And if the Index is 0, it means no changes in GHG emissions intensity per GDP unit.
- **Issues include lack of capacity in countries to do a good job of reporting GHG emissions**, especially from LULUCF, **and inability of GDP to appropriately include the barter/subsistence economy in the GDP**. These severely limit the value of the indicator. It makes a good sense if the data for emissions are good quality and could be verified. It is also an incentive to take seriously GHG inventories.

Question 1.2: Which year provides the most accurate measure of scale of GHG emissions, in the above formula for GBI_{CC}? (1=2000, 2=1990; 3=last available year, 4=another year)

- Most developing countries are still in the process of preparing their GHG inventories based on 1997 IPCC guidelines. These guidelines do not provide methodologies for measuring REDD. The 2006 IPCC guidelines provide this methodology; however, it is not yet being adopted.
- **It will make more sense to select a base year with the best quality of data for the majority of countries and in particular for high emitter countries.** Despite what the formula tells us, a country's carbon policy should also take into account the co-benefits from mitigation policies, there strong ones for particular countries.

Question 1.3: How appropriate is it to use ANNUAL GHG emissions as a broad indicator of country mitigation potential?

- **Some concerns by the participants were that even poor country's with a large population's and low energy consumption per capita will have a large total annual emissions. These countries would not be able to mitigate much.** Mitigation potential of a country is not based on GHG emissions but also on the

capacity of the country to implement the measures.

- **Annual GHG emissions do not take into account those countries that have low emissions and high forest cover.** In addition some countries may have high emissions during some seasons that could be a target for specific mitigation, but overall the annual figure is probably best.
- Another example is the case of Russia, which reduced emissions not because of mitigation actions but because of economic collapse, demonstrates the weakness of annual emissions as an indicator of mitigation potential.
- **Emissions per capita may give a better view of mitigation potential.** Both carbon intensity and per capita emissions are important variables, and that ceteris paribus countries with higher carbon intensity and higher per capita emissions have greater mitigation potential than countries with lower carbon intensity or lower per capita emissions.
- **Another alternative may be to use marginal abatement cost curves directly if can be estimated for the different countries.** Mitigation potential may be low even if annual GHG emission is large in case the country has already made substantial progress in reducing carbon intensity so that further reduction would be more difficult. Emissions levels are a necessary, but not sufficient condition for mitigation. The actual mitigation potential depends on mitigation costs of the mitigation options available.
- GHG emission potential would be high if the current annual emission is high and carbon intensity is also high so that there will plenty of scope for reducing energy intensity.
- **The use of the following indicator was recommended - Annual GHG emission x [carbon intensity of the country/average carbon intensity of all developing countries]**

Question 1.4: How appropriate is it to use PER CAPITA GHG emissions?

- **Per capita emissions make it possible to capture the wide disparity in the levels of emissions which may not appear from the total of national emissions.** It is helpful for estimating mitigation potential, but certainly by itself (not accounting for total population, and thus total emissions) it would be a terrible basis for allocating resources. This would be a good indicator to set priorities for GEF funding, but at the same time the poorest, low emitting countries, also could use GEF assistance. Hence the case for using this as an indicator for GEF funding is not so clear cut.
- The benefit of using such as indicator is that it easily identifies countries that are very inefficient energy users. However, in contrast, it does not give an estimate of how important that country's emissions are globally. The obvious example is that as of 2007 the US and China have almost equal total GHG emissions, but the US emits between 4 and 5 times as much per capita as does China.
- **Per capita emissions was found by some to be useful for comparison and from an equity perspective.** Living in a boreal climate obviously involves more GHG emissions than living in sub-tropical conditions. In addition, the global economy distorts the picture tremendously. China is the world's factory and

emissions there are perused by the consumers of its exports.

- **Others found that per capita emissions were moderately useful because emissions depend on the sectors of economy that contribute most to its GDP.** If a country is service economy its emissions will be lower than if it were a manufacturing economy.

Question 1.5: How appropriate is it to use HISTORICAL CUMULATIVE emissions?

- **There was a difference in opinion amongst the respondents with regard to the use of historical cumulative emissions.** Some thought that cumulative emissions are a good proxy for responsibility for causing climate change and thus for PAYING for mitigation measures (domestic AND abroad). It also helps have an understanding of long-term potential in decoupling growth from emissions. Because it allows carbon accounting on an historical basis an accurate picture of a country's responsibility, not only linked to mitigation potential but also to adaptation funding.
- A country may have had very high emissions in the distant past but already successfully reduced them in the last 20 years (example UK). In that case, the remaining mitigation potential might be less than in a country that has had a fast emissions growth 30 years ago but did not develop much in between and now has a lot of obsolete industries (e.g. Former Soviet Union)
- **Others thought that it may not be useful to go in to details of historical cumulative emission so far as GEF allocation is concerned as they have no bearing on potentials and costs of mitigation as lacking any even most aggregate economic dimension.** In addition it does not take into account HFLD countries. Also, some though it would not be so useful if used to justify unsustainable development of nations with low total (cumulative) GHG emissions.
- This measure gives information on each country's total cumulative contribution to global warming caused by fossil fuel and cement emissions. **To some extent it indicates how much that country has benefited from extraction of fossil fuels, and could be used as a negative weighting for receiving funds from GEF.** However, it would not capture the country's responsive performance since it became known (circa 1990) that fossil fuel emissions were causing climate change.

Question 1.6: How appropriate is it to use PER CAPITA NATIONAL INCOME or GDP?

- **Respondents thought that it will be useful to consider PER CAPITA NATIONAL INCOME or GDP as an indicator of the ability of a country to carry on (or contribute towards) GHG mitigation projects on their own.** This is a good indicator as it ranks different sized countries to same scale and provides measure of economic status -the higher the per capita GDP, the better its capacity to reduce emissions. If per capita emissions are used then it seems logical that per

capita GDP is used. This indicator does take into account that the largest contributors (i.e. largest total emissions) probably need more total funding to mitigate their emissions.

- However, this measure does not address the cumulative contribution of that country to the problem. In addition **this indicator may not be very useful as there are countries with low GDP per capita but good mitigation policies.** Mitigation plays a role not only related to carbon policies but also to co benefits. In many DCs and the poorest countries the GDP does not adequately capture the spectrum of economic activities. Also the appropriateness of the indicator depends on whether we define mitigation potential as being only domestic action or also the ability to pay for GHG reductions elsewhere (outside of national boundaries)

Question 1.7: How appropriate is it to use energy intensity as a measure of performance in mitigation?

- **Energy intensity was found to be a good indicator due to the significant potential in reducing emissions through improvements in energy efficiency.** However, there were several concerns about this indicator that were voiced.
- It was stated that this measure is useful if you have a trend, but as a single point of reference, it embeds too many factors (structure of the economy is one that is particularly challenging to alter). **The absolute value of energy intensity may not be very useful in comparing different countries because of possible structural differences of their economies.**
- It is useful for comparison but does not identify mitigation opportunities, as **most cost effective options will be specific to certain parts of economy and thus lost in overall indicator. It would be more useful to break down the indicator by broad sectors.**
- Also, **it would be better to consider fossil energy intensity rather than overall energy intensity, which will also include renewable energy intensity.** Finally percent changes in fossil energy intensity (or energy related carbon intensity) would be useful as measure performance in GHG mitigation of a country.
- Energy efficiency is a good measure of how efficiently a country uses/produces fossil fuels. But improving energy efficiency more slowly than total emissions increase shows that maybe both measures need to be considered, and not just energy efficiency. Fossil fuel energy producers tend to have low energy efficiency. A key issue for UNFCCC, but maybe not for GEF, is which country's emissions of burning the refined fuel or using the generated electricity be counted against. Currently the country that produces the energy is responsible for those emissions. So a country that buys fossil fuel generated electricity from another country, then uses it very inefficiently does not have to share any of the fossil fuel emissions released by the producing country.
- Energy intensity is a function of the economic activity that contributes most to the national income. The activities depend also on the natural resources of the country. These are not chosen but the circumstances may compel the country to take up energy intensive activities (e.g. aluminum).

Question: 1.9: How is energy intensity related to the following factors?

a) Good Policies

- **The participants agreed that good policies are the key to successful results.** For example, a carbon tax applied by each country, if the per tonne tax is similar, would be a good mechanism that for lowering carbon intensity. Appropriate pricing, in addition to providing effective subsidies to promote renewable energy, is essential.
- Some of the reasons stated by those that did not think that there was a strong relationship between energy intensity and good policies felt that the meaning of good policies can be understood in other terms than energy intensity—for example, improving access to energy to land population in developing countries. Also **this indicator probably says more about type of economic activities in terms on energy intensity than policy.**

b) Structural economic changes

- **Most respondents found that structural changes provide changes in the pattern of consumption and production.** If a country suddenly becomes a large energy producer then their carbon intensity will go up. But good policies governing the generation of the energy production capacity right from the start can reduce the increase in carbon intensity.
- The respondent that gave a score of 1 found that it was not viable to measure change with a state variable (energy intensity).

c) Sudden Crisis

- **Participants found that the relationship between these two variables were not consistent.** For example, the response to oil crises has been strong, particularly in Europe and Japan, whereas responses to other crises (e.g. economic, war, natural disaster) has been mostly absent. Reactions to the energy crisis and shortages takes some time, reaction to future shortages is also uncertain as governments envisage possible technological solutions
- **Participants that found a strong relationship felt that oil price shocks, war, recession all play major role.** A sudden crisis would probably abruptly increase the carbon intensity until the crisis is ameliorated, but it would be a temporary increase. This effect would be largest and most lasting in countries with the least capacity (financial, governance, expertise) to deal with environmental crises such as earthquakes, storms and widespread flooding from storm surges (e.g. Myanmar).

Question 1.10: How is energy intensity related to the following factors?

(a) Renewable energy use

- **The general response that energy intensity and renewable energy use was not all that strongly related was due to the fact that renewable energy use will contribute to energy intensity but not to carbon intensity.** Also in light of the generally low share of renewables in most countries' energy supply, renewables do not play a significant role as yet. The relationship would depends on share of renewable to total energy and results of energy balances of renewables energy choices. On a domestic level, renewable energy should displace fossil fuel energy requirements and hence lower carbon efficiency. But if a country exports all the energy it can then it will not have any effect.
- In many cases improvement in energy efficiency can be coupled with the development of new and renewable sources of energy. **Energy efficiency can therefore be part of the process of transition towards alternative forms of energy. However, there may be cases where the focus on renewables diverts attention away from efficiency improvements**, although there is enough evidence to suggest that most gains in emissions reductions would come from improvements in efficiency

(b) Energy efficiency measures

- **Energy efficiency measures reduce energy use for the same level of energy services delivered and thus reduce energy intensity.** Some participants felt that a strong relationship would exist if access to energy is granted to an important part of a country/population, if not total emissions development could surpass the efficiency effect.
- Domestically improved energy efficiency should lower fossil fuel energy requirements and hence lower carbon efficiency. But if a country exports all the energy it can then claim it will not have any effect.

Question 1.11: Do you think the representation of sources of GHGs (e.g., fossil fuel use and cement production) in the indices is adequate?

- The participants found the following alternative sources of GHGs in order of importance
    - agriculture and land use
    - deforestation and forest degradation
    - gas flaring
    - industrial non –CO2
- **Given that the index is supposed to be correlated with mitigation opportunities, ignoring land use emissions seems like a problem.** However, actual emissions from land use (e.g. deforestation) and agriculture are hard to determine accurately, but they do reflect on a country's policies and interest in dealing with emissions and climate change.

- **There is a need to consider imports and exports of energy intensive products,** otherwise importers of products like cement look very GHG efficient while new exporters look very GHG inefficient.

Question 1.12: Do you think representation of gases in the indices is adequate?

- **Participants were of the view that all types of greenhouse gases and from all sources should be accounted for.** Gases other than carbon dioxide need to be weighted by their global warming potentials. Radiative forcing from albedo effects (surface and clouds) is neglected and needs to be included in longer term mitigation plans, particularly for developing countries where LULUCF is important
- The underlying GWPs to compare gases under climate change feed backs (e.g. anaerobic mobilization of peat carbon) are uninformative. **Total GHG accounting of the terrestrial biosphere is far from operational.**

Question 1.13: How relevant are efforts in CDM and carbon trading for the climate change index?

- **Efforts in CDM and carbon trading are found to be irrelevant if there are no commitments. Participants found that CDM has not been scale successful.**
- CDM and carbon trading affect the emission reduction targets under the KP for Annex I countries. National GHG emissions in those countries are themselves not changed and thus the index is stable. For host countries the GHG emissions are reduced, but the scale has been so small that only a very limited effect can be noted on the index. A lot of LULUCF (e.g., ag soils) not reported so using fully existing guidance is most important.
- **It was stated that carbon trading does offer incentives for reducing emissions, but requires micromanagement, compared with a broadly applied carbon tax.**

Question 1.14: Do you know of any further guidance from UNFCCC/IPCC that should be reflected in the climate change indices?

- Some suggestions for guidance by the *UNFCCC/IPCC* provided by the participants were that **concrete results of mitigation policies funded or results from technological transfers are best.**
- Climate change indices should reflect the linkages between climate change mitigation and sustainable development (including poverty alleviation).
- **The key to long-term success in mitigation in developing countries is the transfer of efficient technologies and the contribution towards their sustainable development.** These should be considered in GEF allocation of resources some how.
- The LULUCF and AFOLU sectors are uncertain but significant and should be considered in all components: capacities, intersectoral linkages, monitoring, carbon crediting etc.

- Sustainable land use and the biochar carbon sink enables us to remove CO_2 from the atmosphere, produce renewable energy, and improve soils without competing with food production. No additionality is needed. Guidance is also required for better land uses, decreasing forest degradation, policy readiness.

Concern 2: Are the RAF indices and formula sufficiently transparent and/or equitable?

Most participants found the RAF indices and formula to be too complex and lacking in transparency. It was also felt that too much of the funding for climate change was allocated to too few countries.

Question 2.1: In your opinion, is the current RAF climate change score too complex to make funding allocations transparent?

- **Participants felt that the existing methodology was too complex and lacked transparency.** They felt that the methodology should be simplified by giving priority to those poor countries with special requirements in terms of CC mitigation and adaptation within the context of Sustainable Development Programmes. Many countries that have good scores in terms of potentials and needs may very well lack good governance and institutions. The question is then whether GEF allocations should intend to facilitate capacity building in such countries.
- **Participants found the methodology too complex to understand even after having read the supporting material.** If the intensity rose in the 10 year period, the country is perceived to have a lower need and hence scores lower on the GBIcc measure. In actual fact, they would actually have a higher need, but are being rewarded for increasing the efficiency of energy use during the 1990s. It is not clear that this logic is transparent as explained in the background material.

Question 2.2: Does the current RAF result in too great a concentration of funding for climate change (too large a share allocated to too few countries, per attached table)?

- **Funding should be more linked to results than to another index, people should learn by themselves.** Participants felt that the approach is insensitive to cross medial problems and has to be adjusted accordingly. Smaller countries may have less capacity to invest their own human and financial resources, and the small amounts allocated may be below a threshold to carry out meaningful programs.
- Climate change mitigation and adaptation **requires an "all in" approach, concentration enhances the gap between active and less-active players and has a tendency to reward the "bad guys"** (i.e. strong emitters or deforesters etc.)

Question 2.3: Would a more balanced distribution of GEF climate change funding result in greater mitigation of GHG emissions?

- **Most participants were of the view that a more balanced distribution of GEF climate change funding would not result in greater mitigation of GHG emissions** if you consider both emission in year 2000 and potential of percent emission reduction (as indicated by carbon intensity for example).
- However, **they felt that it would allow some small countries enough to make meaningful progress and would encourage action on mitigation in a wider number of countries.** They felt that it would particularly enhance joint benefits with mitigation and adaptation and involvement of many small countries and south-south cooperation.

Question 2.4: Are the ceilings on climate change allocations appropriate for pool countries?

- **Participants felt that it is inappropriate as these ceilings imply special constrains for countries with small allocations.** Other participants did not understand why these ceiling were there and could not see the logic behind them. It seems difficult for countries in pools to do much under the current rules.

Concern 3: Does the RAF produce scores for countries that appropriately reflect their relative status in terms of climate change and performance?

The exponents used to weigh GBI and GPI were considered to be inappropriate by most participants. Participants also found that comparative scoring for countries was also not appropriate.

Question 3.1: In the formula: Country Score = $GBI^{0.8} \times GPI^{1.0}$; how appropriate are the two exponents 0.8 and 1.0, used for weighting GBI and GPI, respectively (i.e., could the weights be changed to provide more accurate country scores)?

- In the formula for GBIcc (GBICC = Baseline GHG Emissions2000 X [Carbon Intensity1990 / Carbon Intensity2000], **any decrease in the intensity from 1990 to 2000 and a corresponding increase in the ratio of carbon intensities for the years 1990 and 2000 would be possible only with positive and effective government intervention.** Thus, this ratio also reflects a country's cumulative performance so far from 1990. **Therefore, the procedure of estimating country score from GPI and GBIcc from the above formula places too much emphasis on country performance.** To avoid this problem of double counting country performance, it was suggested that estimating GBIcc from the same formula suggested earlier for estimating mitigation potential: GBIcc = Annual GHG emission x [carbon intensity of the country/average carbon intensity of all developing countries]

- **Most participants felt that these weights were inappropriate as they indicated that weights should always be adaptive.** It is difficult to estimate mitigation potential from a formula.
- **Participants were unable to comprehend the logic in weighting GPI higher than GBI,** except that higher GPI indicates a lower risk in allocating funds to that country.

Question 3.2: Consider two countries, one of which (A) scores twice as high in both climate change and performance as the other (B). The current RAF gives country A an overall score more than twice that of country B (specifically, $2^{1.8}$ or 3.48 times). To what extent is this comparative scoring appropriate?

- Participants found **the scoring gives too much importance to good government policy.** This type of scoring would mean that countries that are poorly governed are much less likely to receive much funding because they will have a low GPI and also a lower GBI if their energy intensity also rose significantly in the 1990s.
- **The CEPIA measures environmental policy but that is much different from the climate change policy although here they are considered to be equivalent.**

Question 3.4: Are there countries that qualify only for funding as group countries that you believe should qualify for funding individually?

- Some examples citied included the **countries in Latin America and the South Pacific Island States.**
- **Many problems are regional in nature (i.e., deforestation) and actions could benefit from better South-South cooperation.**

Concern 4: To what extent is the RAF designed to maximize global climate change benefits?

Question 4.1: Does the RAF provide adequate incentives for countries to improve their mitigation performance over time, both for individual and group climate change allocation countries?

- **Participants did not see many incentives, except a reduction in energy intensity in the 1990s. An incentive would be a positive weighting for countries that have reduced overall emissions in the most recent period for which there is widely available data.** The GEF should give high preference in the assignment of funds to those countries with strong political will and commitment to decrease GHG's. Many developing countries have many concerns apart from mitigation, thus funding is not enough incentive for doing that
- **Participants thought that incentives were given for those countries where fossil fuel use and cement production are dominant in the economy. In other countries there is no incentive.**

- It was felt that **the index needs to include land use emissions** since they are large fraction of total country emissions in many developing countries.

Question 4.2: Should the RAF provide more (or less) opportunities than now, for positive interactions between climate and biodiversity work, or with other focal areas?

- It was stated that **incentives for avoided deforestation are needed on the national or subnational scale**. Land use change is fundamental to prevent loss of biodiversity, climate change and adaptation capacity. Adaptation-mitigation interactions should also be looked at. The existing RAF methodology is too narrow, and this approach does not favor positive interactions with other focal areas. Encouraging these interactions is crucial for achieving global benefits in the various areas, within a context of Sustainable Development.
- Obviously the GEF has other priorities than climate change, but **if the objective here is to mitigate climate change then that should be the top priority for assigning funding under this program. The rational of RAF is only mitigation while the linkages between climate and biodiversity is more obvious on adaptation.**

Concern 5: How might the financial mechanism of the Convention best provide balance in funding for adaptation and mitigation?

Question 5.1: Should more be done to balance funding between adaptation and mitigation in developing countries?

- Respondents' comments reflected why they think more should be done to balance funding. Mainly because **it is important to balance global and local benefits – mitigation produces global benefits, while adaptation produces local benefits.**
- **Funding should be country specific focusing on the country's status of vulnerability when deciding on adaptation funding.**
- Also, important to consider the matter ethically and **provide more funds for adaptation on countries that do not contribute to climate change but are victims of it.**
- At the same time, potential for mitigation must be evaluated for each country and **considerable funding for mitigation must be given because of global benefits.** For example, funding carbon capture and storage in developing countries is important because carbon capture and storage represent the biggest single measure for mitigation in the next 30 years where there is a trend towards coal-fired electrical generation. Through mitigation funds, developing countries can acquire carbon capture and storage technologies, whereby more global benefits are realized. One respondent highlighted the need to do more research on the topic which will actually provide an incentive to link global and local benefits.

Question 5.2: If most of the funds under the GBIcc go to mitigation in larger developing countries (i.e. those with more emissions), should most of the funding for adaptation go to the most vulnerable countries?

- Several comments from the respondents also stated that **most of the funding for adaptation should go to the most vulnerable countries, taking into account the ability to fund adaptation projects locally and extent of vulnerability of each country when allocating funding.** Generally the countries with high GHG emissions (larger developing countries) have prosperous economies and can afford adaptation themselves or have incentives other than funding from GEF. Therefore, most funding for adaptation should go to countries with low GHG emissions, high vulnerability and who are unable to adapt because often most vulnerable countries are the ones that lack the financial resources to adapt to the effects of climate change.
- **One respondent commented that larger developing countries need adaptation funding as much as smaller and more vulnerable ones. The balance should in fact be shifted away from mitigation to adaptation because under the UNFCCC** (which is supposed to guide the GEF vis-a-vis climate funding), **there is no distinction among developing countries as far as support for adaptation costs from developed countries under Art. 4.4 is concerned**. All developing countries, to one extent or another, are particularly vulnerable.
- **Funds for CC mitigation should be distributed in such a way that favors the interaction between CC mitigation and sustainable development in a broader sense** (including poverty alleviation).

Question 5.3: If you agree with 5.2 above, should vulnerability be defined broadly as a principle to guide funding under RAF, or should a vulnerability index be constructed?

- Four people commented on this question with three stating that **the vulnerability index is suitable** while one stating that developing an index for vulnerability could be difficult.

Question 5.6: Do you know of any measures of mitigation impacts relating to human vulnerability or social impacts (e.g., poverty alleviation, employment, etc.) that should be reflected in the climate change indices?

- An example for such impacts was that **"most alternatives to fossil fuels and locally produced energy have social impacts and investments into long term soil fertility could slow down deforestation and could reduce poverty."**
- One respondent stated that **such social impacts would be minor and very difficult to measure.**

Concern 6: What recent developments in the area of climate change, both within the GEF and elsewhere, should be taken into account in considering potential changes in the RAF or the way it is implemented?

- Only 27 responded to this question and the vast majority (74 percent) noted that they did not know of any recent developments that should be taken into account for potential changes to the RAF or the way it is implemented.
- There were only two further comments to this questions with one suggesting to **compare results of modeling studies with actual performance**; **the other stated http://www.iiasa.ac.at/Admin/PUB/Documents/IR-01-011.pdf.**

Concern 7: How could the climate change data sources be improved?

Question 7.1: Do you agree with the use of WRI-CAIT to calculate GEF Benefit Index over GHG emissions inventories from National Communications?

- **According to further comments, respondents of this category tend think that it is important to look at both data.** One comment read that "You may need to look at both National Communications, especially on land use data for GHG emissions, and compare to other data sources, then decide which value to use". Another stated that "comparable data sets such as those provided by WRI, IEA, or World Bank should be preferred to national communication data sets on consistency grounds, but, use of national communication data should be made to verify the accuracy of global datasets when possible". The most typical opinion of the respondents was also the above; which received the mean value of 4.6.
- While 20 percent agreed with the use of WRI-CAIT to calculate GEF Benefit Index over GHG emissions inventories from National Communications, no further comments supporting this view could be found except for **one comment that implied an agreement with the use of WRI data over information from National Communication was "UNFCC numbers not independently audited and also incomplete concerning most recent trends."**
- **"WRI data has no legal basis and countries will contest it if it does not work out in their favor"**; "WRI numbers NOT subject to scientific peer-review; and, " Priority should be given to UN-based statistics" summarized why respondents disagreed.

Question 7.2: Is the correlation between WRI-CAIT and GHG emission inventories strong enough?

- **"[The] Correlation is irrelevant!!!"** – stated one respondent out of the two who gave further comments.
- The other stated – **"probably difficult to get a close correlation** […….]".

Question 7.3: Do you know of any new climate change databases, indices or other information sources available that should be taken into account (e.g., in the UN, think-tanks, universities, NGOs, etc)?

- A few examples were given: national communications and NAPA; IEA, EIA, World Bank, and FAO; for physical climate side - the CMIP3 database at PCMDI; land use emissions from FAO's Forest Resource Assessment data, IPCC AR4 WGIII Chapter 9 Forestry chapter estimates, published papers on remote sensing estimates of deforestation and CO2 emissions from land use; and, statistics provided by UNFCCC and UNDP Human Development Reports.

Question 7.4: Would it be possible to compile a database similar to CAIT-UNFCCC (which includes only information from national communications of Annex I countries)?

- The only comment given for this question was that **"not only for developed countries, perhaps a data base from UNFCCC is needed."**

Question 7.5: Should other data be used, e.g. annually published data of the IEA?

- Several respondents stated that **IEA data is not reliable all the time and that all sources of data, particularly from individual countries, should be used provided the accuracy of and transparency in the process of collecting and processing the data could be verified.**
- A few others mentioned that **WRI, FAO or data from independent institutions should be actively solicited and included.**
- One commented that **UN data should always be given priority.**

Concern 8: Is the information used to guide funding allocations relevant for guiding selection of specific climate change projects?

Question 8.1: If the relevant information contained in a country's GBICC was used to guide the selection of specific climate change projects, would it lead to better projects?

- Comments from respondents largely **expressed the inadequacy of using information contained in GBIcc to guide specific climate change projects.** "The existing GBIcc methodology is too narrow[….]"; "I do not see a direct relation[…]".
- Another stated that **the only criteria to judge specific mitigation projects would be to see if a project likely led to a reduction in the country's overall emissions** [Baseline GHG emissions 2000]; **and would a project likely lead to a reduction in the carbon intensity of the country.**
- The question on how to select adaptation projects was also raised by one comment.

- Another commented with regard to improving quality of projects, that it may be useful to **consider giving qualitative scores to key objectives of project proposals,** e.g., cost of GHG mitigation, contribution to sustainable development, extent of technology transfer achieved, etc. It may also be useful to **include in the project proposal a logical framework analysis table**; the table should indicate the project's targets in terms of technology transfer, contribution towards sustainable development, GHG mitigation, capacity development etc. as well as verifiable indicators.

11.3 Performance Delphi

GEF Performance Delphi: Summary of Participants' Comments by Concern

Concern 1: The balance between the GEF Benefits Index and the GEF Performance Index in the Resource Allocation Formula:

- **The weighting appears reasonable given that a country cannot generate global environmental benefits without having capacity, policies and practices to do so.**
- AfDC and IDA give higher weight to performance but this is fundamentally a management decision. The current balance seems fine for the GEF.
- **Greater emphasis on performance is appropriate.**
- **Capacity is an issue, but performance should be easier to measure.**
- **The weights are arbitrary.** There is no science to back this up. A neutral formula giving equal weight to potential benefits and performance would seem appropriate.

Concern 2: The impact and advisability of exclusions, group allocations, and targeted supplements:

- GEF has multiple objectives, some of which are not addressed by the RAF. Exclusions, group allocations, and targeted supplements reinforce these multiple objectives.
- **There can be good reasons (multi-country projects) to allow modest exclusions.**
- **There should not be minimum allocations. To the greatest extent possible, the formula should drive the distribution of funds.**
- **Having a set-aside is OK for bringing countries up to speed, but as much money as possible should be put through the formula.**
- These set asides are very difficult to understand.
- **Funding for regional projects should be increased to give governments incentives to deal with environmental spillovers outside their boundaries.**
- Specifically limiting the allocation for global and regional projects to only 5 percent has resulted in lost opportunities for wider initiatives that serve to bring countries up to a level that they may not reach by use of their own allocations. It has resulted in some initiatives being lost altogether after only one phase – e.g. Mekong Wetlands Biodiversity Project. Many biodiversity issues cannot be dealt with on a single country basis and regional action is essential. When guidance was given on how to address the new allocations for regional projects we were told that funds for regional initiatives have to come from the country allocations. Realistically this is impossible to do since each country in a region has its own

priorities and will not agree to setting up a regional project using its own country funds.

- Biodiversity issues are often addressed better at a regional level. **Costs for regional initiatives tend to be higher because of greater communication and coordination requirements.**
- **Capacity building is an important aspect for regional projects,** building both the technical and governance skills, but also bringing people together from a region to improve understanding of the different issues and priorities of the countries involved.
- **It is good to build capacity (women, regional projects, etc.) and to level the playing field so everyone can compete.**

Concern 3: The impact and advisability of ceilings, floors and flow of funds controls:

- **Ceilings and floors are for purposes of equity.** Without a ceiling, one country could take a huge share of the funds. Without a floor, some countries would get virtually nothing.
- **It is important to have such rules when money is constrained.**
- Maximum flexibility should be provided at this stage of this "experiment."
- **The formula should drive the distribution of funds to achieve the objectives of the programs. Ceilings and arbitrary fund controls don't contribute to those objectives.**
- **A 2-year period for reallocation is too short.**
- **Funds that are indicative for follow-on phases need to be clearly committed or it should be clearly stated that follow-on phases will need a new application.** In the case of Mekong Wetlands Biodiversity Project, the second phase was assumed to be committed, but when it came to that point, funds were no longer available, because the RAF was just being applied at the time, and the rules had changed. It is irresponsible to develop a 5 or 6 year program, and commit funds just for 2.5 years, and then to cut them off. This is a real waste of funds.
- **Countries should be able to access more then 50 percent of their money in the first two years if needed for projects. This is especially true for small allocations. Perhaps some threshold could be determined.**
- Projects take a great deal of time to develop and often need the security of knowing that all the funds are available for use from the beginning of the 4-year period.
- **Support funding should be driven by project needs and not constrained by financial controls.**
- **It is good management to control the flow of funds.**
- 100 percent frontloading of funding would be excessive. However, **some frontloading ought to be allowed.**

- **At least some aspects of the flow of funds should be linked to performance.**
- We should be very patient in assessing the performance of projects—stay the course.

Concern 4: The appropriateness and weight of the country policy and institutional performance components of the GPI:

- This is a judgment call but **issues of governance should be given much more weight.** Without improved governance, countries will be unable to make effective use of the funds.
- This index does not include enough areas specific to climate change, i.e., how is a country developing its energy and transportation sectors?
- **Rather than complicating the formula, give 100 percent weight to the CEPIA.**
- The results of the Asian Development Bank's Country Performance Assessment (CPA) could also be used as a reference for the GPI. This would be helpful because some countries are not members of the World Bank but still qualify for GEF assistance. Also, some countries are blended borrowers for which the World Bank does not release CPIA scores.
- **CEPIA and BFI measure environment, not outcomes. It is important to measure the environment and it does provide some indication of the willingness and ability of countries to implement projects.**
- **To expect this system to improve performance, there needs to be a) a significant and clear difference in funding between well and badly performing countries, b) enough overall funding to induce policy responses, and c) results which are publicized and used actively in policy dialogue.**
- **GEF's overall relatively modest funding and the low weight of the BFI in the GPI are unlikely to provide meaningful incentives to countries to improve their policies.**
- Performance improvement has a paternalistic tone. It is not the system that rewards performance. The right tone is, "We are all in this together."
- **Gender is a separate issue and should be dealt with as such.**
- **The poverty issue should be dealt with separately.**
- **It is not easy to find CEPIA scores. These should be posted publicly.**
- It is not clear why cluster scores from CPIA have been chosen for the BFI computation. Aren't macroeconomic and structural policies important for the successful implementation of GEF projects?

Concern 5: The appropriateness and weight of the portfolio performance components of the GPI:

- **Portfolio evaluation should probably have a greater weight than 10 percent.**
- The portfolio rating serves as a reality check. It should be given a higher weight, perhaps as high as 30 percent.
- There is no science here. This is a judgment call. The weights appear low when compared to other institutions such as the Asian Development Bank and the African Development Bank.
- **I would shorten the period for averaging Portfolio Performance Indicator scores from 10 years to 5 years.**
- One way to avoid bi-modal scoring and to deal with countries with only one or two projects could be to introduce 1 to 6 scoring of the performance of individual projects as is done for other CPA and CPIA criteria.
- This system appears complex and it could be challenging for countries receiving GEF assistance to understand it. This, in turn, may impede its use as a tool to improve performance. **GEF should consider working with the World Bank and the Asian Development Bank to harmonize this area of assistance.**

Concern 6: Whether or not the GPI uses "best practices" to guide the allocation of GEF resources for biodiversity and climate change:

- My response is positive. Countries with high GPI's receive more money under the GEF formula. Higher performers get what is needed to maximum global environmental benefits.
- **The index and allocation system appears to be "overdesigned."** It is not easy for countries to understand the clear link between performance and allocations. **Efforts should be made to simplify the system.**
- Overall, this is quite an impressive effort. I would give performance and benefits the same weight (simplifying the formula), give portfolio greater weight, simplify the small country allocation rules, and **move away from the notion to rewarding good performance to that of pursuing the most effective allocation.**
- This is a very nice and pragmatic system.
- **It is essential that countries understand the evaluation methods and monitoring techniques which underlie this system.** Without such understanding, exercises in resource allocation maintain a fully northern direction with little opportunity for countries to debate with and perhaps modify the processes.

12. Appendix F: Staff

World Perspectives, Inc. Project Team

Gary Blumenthal
Anita Chomsky
Stephen Dewhurst
Erik Lichtenberg
Mohan Munasinghe

GEF Monitoring and Evaluation Office Team

Rob van den Berg
Siv Elin Tokle
Claudio Volonte
Yu-kui Zhou

Consultants to the GEF Evaluation Office:

James Fremming
M. Gary Costello
Kenneth Watson