

MEDITERRANEAN ENVIRONMENTAL  
TECHNICAL ASSISTANCE PROGRAM  
(METAP)

EVALUATION OF METAP IV

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## List of Abbreviations

|              |  |
|--------------|--|
| CEDARE       | Centre for Environment and Development in the Arab Region and Europe   |
| CIDA         | Canadian International Development Agency  |
| CITET        | <i>Centre International des Technologies de l'Environnement de Tunis</i><br>(International Centre for Technology and Environment)            |
| COED         | Cost of Environmental Degradation  |
| CTF          | Consultant Trust Fund  |
| DGF          | Development Grant Facility (of the WB)   |
| EC           | European Commission  |
| ECA          | Europe and Central Asia Region (of the WB)   |
| ECSWA        | UN Economic and Social Commission for Western Asia   |
| EIA          | Environmental Impact Assessment  |
| EIB          | European Investment Bank   |
| EPM          | Environmental Program for the Mediterranean  |
| EU           | European Union   |
| FEMIP        | <i>Facilité Euro-Méditerranéenne pour l'Investissement et le Partenariat</i><br>(Euro-Mediterranean Facility for Investment and Partnership) |
| GDP          | Gross Domestic Product   |
| GEF          | Global Environment Facility  |
| ICZM         | Integrated Coastal Zone Management   |
| IDA          | International Development Association (of the WB Group)  |
| IFC          | International Finance Corporation (of the WB Group)  |
| KM           | Knowledge Management   |
| LIFE         | L'Instrument Financier pour l'Environnement (of the EU)  |
| MAP          | Mediterranean Action Plan  |
| MBC          | Mediterranean Beneficiary Country  |
| MEDCITIES    | Mediterranean Regional Network of Coastal Cities   |
| MEDPOLICIES  | METAP Policy Tools Package   |
| MED-ECOMEDIA | Network of Mediterranean Media   |
| MEDWAN       | Network of Mediterranean Water Agencies  |
| METAP        | Mediterranean Environmental Technical Assistance Program   |
| MNA          | Middle East and North Africa Region (of the WB)  |
| MUWMP        | Mediterranean Urban Waste Management Project   |
| NEAP         | National Environmental Action Plan   |
| NFP          | National Focal Point   |
| NGO          | Non-Government Organization  |
| PAP/ RAC     | Priority Actions Programme (of the MAP)/ Regional Activity Centre  |
| PCD          | Program Concept Document (for METAP IV)  |
| RCBP         | Regional Capacity Building Program (of METAP III)  |
| RMG          | Regional Management Group (of RSWMP)   |
| RSWMP        | Regional Solid Waste Management Project  |
| SEA          | Strategic Environmental Assessment   |
| SMAP         | Short and Medium-term Action Plan (of the EU)  |
| TBD          | To be determined   |
| TBE          | To be established  |

|            |  |
|------------|--|
| TOR        | Terms of Reference                                 |
| UN         | United Nations                                     |
| UNDP       | United Nations Development Programme               |
| UNEP       | United Nations Environment Programme               |
| UN-HABITAT | United Nations Human Settlements Programme         |
| USAID      | United States Agency for International Development |
| WB         | World Bank   |
| WTO        | World Trade Organization                           |

### **Abbreviations used for Evaluation Results**

|    |                           |
|----|---------------------------|
| HS | Highly Satisfactory       |
| HU | Highly Unsatisfactory     |
| MS | Marginally Satisfactory   |
| MU | Marginally Unsatisfactory |
| S  | Satisfactory              |
| U  | Unsatisfactory            |

# METAP IV Evaluation

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## **METAP IV Evaluation**

### **Highlights**

At the request of the Partners supporting the Mediterranean Environmental Technical Assistance Program (METAP), a review was made by independent consultants of the fourth phase of METAP. The review also assessed the impact of METAP since its inception in 1990 and made recommendations for future assistance. The principal findings were:

1. METAP IV was well designed and is being well implemented. Project quality is very good and expected project outcomes are very positive. Some problems identified can be readily dealt with.
2. Over its four phases, METAP has been notably successful and has contributed significantly to the progress made over the last 14 years by the Mediterranean countries towards environmental protection.
3. Despite this progress, many environmental challenges remain and the Mediterranean countries deserve the support of the international community in addressing them. Continuation of METAP could make a valuable contribution to this objective. The review makes a number of recommendations for defining the scope of and management system for a METAP V, as well as on strengthening partnerships, funding and geographic balance.

## METAP IV Evaluation

### Executive Summary

The Mediterranean Environmental Technical Assistance Program (METAP), a partnership among the European Union (EU), European Investment Bank (EIB), the United Nations Development Programme (UNDP), Switzerland, Finland and the World Bank (WB), currently provides assistance to thirteen Mediterranean Beneficiary Countries (MBCs): Albania, Algeria, Bosnia-Herzegovina, Croatia, Egypt, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Turkey, and West Bank and Gaza.

The overall objectives of METAP, as laid down at its inception in 1990, are to:

- a) strengthen the institutional capacity required to manage environmental issues;
- b) prepare a strong portfolio of priority environmental projects in order to accelerate and catalyze investment in environmental activities in the region; and
- c) formulate a set of focused key policy factors affecting the Mediterranean environment.

To that end, the four phases of METAP have committed \$60 million in support for two major themes: project preparation; and, capacity building. Under METAP IV, EIB has handled project preparation and a METAP Secretariat housed at the WB has managed capacity building, through eight major projects and several smaller ones.

This evaluation responds to a decision of the Partners in September 2004 that an evaluation of METAP IV be undertaken by independent consultants in order to guide their decision-making with respect to the future of METAP. The purpose was not only to evaluate the outcomes and impacts of METAP IV but also to take stock of the major outputs and impacts of the previous three phases and to make some recommendations for the future. However, the document is not an evaluation of the previous three phases of METAP. The evaluation has included reviews of relevant documents and interviews with MBC and Partner representatives and Secretariat staff.

Following a similar evaluation of METAP III in 2000, METAP IV was designed “*to assist the beneficiary countries in project preparation and to strengthen their capacity in selected regional environmental management activities*”. Taking into account experience under the previous phase, program activities were selected within three priority Pillars:

- Pillar 1: Water quality, wastewater and coastal zone management
- Pillar 2: Municipal and hazardous waste management
- Pillar 3: Policy and legislation tools

Two cross-cutting programs were expected to underpin both the project preparation and capacity building themes: *capacity building at the local level*; and, *a regional knowledge management system*.

Priority was given to questions which can most effectively be addressed in a regional context, allowing countries to learn from each others' experience. Cooperation with other regional programs, especially the Mediterranean Action Plan (MAP), was also stressed. At its inception, METAP IV was more of a framework into which specific projects could be fitted when funding was obtained, rather than a fully detailed multi-year program. Expectations of a financing commitment of \$14 million were nearly realized, with \$12.4 million committed to date and another \$7.7 million under discussion.

Regarding the evaluation of METAP IV itself, the review team finds that its objective was appropriate and that the selection of Pillars and projects was consistent with that objective and the needs of the MBCs. The regional approach was found to add value. A standard project evaluation sheet was developed and applied to the eight "major" METAP IV projects. The results are shown in Annex 5, together with briefer notes on the remaining five activities, which are either small, at an early stage of development or not yet funded.

Two of the eight major projects were found to be Highly Satisfactory and five Satisfactory. The ICZM project was rated as Marginally Satisfactory and a number of suggestions are made to use the proposed one-year extension of that project to overcome a few identified weaknesses. The projects scored well on *relevance* and on *efficiency*. For those projects which have been completed or are nearly so, *effectiveness* is also high.

Internal evaluations of the three completed projects show substantial impacts, through pilot projects generating regional interest, new policies, laws and procedures for environmental impact assessment (EIA), and improved understanding of the links between trade and environment. The remaining projects all show promise of having sustained impacts. However, the impacts of the cross-cutting programs have been less than expected.

There is evidence that METAP has strengthened donor coordination in environment, though incompatible procedures have been a major challenge for the Secretariat. The present system of governance appears satisfactory to both MBCs and Partners. The review makes some suggestions for improving reporting, so that stakeholders are better informed about program progress, and monitoring, so that timely action can be taken on implementation problems. Strengthened final evaluation of ongoing projects is recommended.

Efforts to decentralize management, though not reaching the level expected at inception, have been quite successful. The Secretariat is functioning well and remains on top of the program. Overhead costs are 19%, which is considered reasonable for a technical assistance program of this size and complexity.

Taking stock of the overall impact of four phases of METAP was based on a list of all METAP activities and their outputs and outcomes prepared by the Secretariat. In 1990, when METAP began, very few of the riparian countries had environmental laws or an operational environmental agency. That has completely changed over 14 years and METAP has, in many cases, supplied catalytic support at critical stages, so that now all the MBCs have not just agencies but Ministries of Environment and reasonably complete

sets of basic laws. Specialized environmental staff have grown from a handful in each country to hundreds in most cases, with their capability strengthened, often by METAP-supplied training. In capacity building, METAP's greatest achievement may have been the series of National Environmental Action Plans (NEAPs), which allowed MBCs to identify their environmental problems, set priorities and develop short and medium term actions to address those priorities.

Other notable successes in the capacity building areas include the EIA program, mainstreaming environment into sectors like trade and privatization, and the use of economic instruments. Issues like these are particularly well suited to the regional approach, where countries can learn from each other, which has been a METAP specialty.

From the beginning, METAP also placed great importance on the sound preparation of environmental projects, mostly in the fields of water supply, wastewater and solid waste at the municipal level, as well as some ICZM initiatives, in line with MBC priorities. By now, more than 35 projects have been prepared, most of which were eventually funded, resulting in an investment of over \$1 billion. Experience also shows that a considerable amount of time may be needed to see the results of technical assistance.

The evaluation also identifies a few areas where METAP's performance may be questioned. Water resources management is rated by most observers as the most serious environmental challenge facing the arid and semi-arid MBCs. Thus it is disturbing to see only one activity to date in this area. Air pollution and industrial certification might also have been given more emphasis. Despite the essential role of public awareness and participation in environmental management, METAP efforts have been rather small and scattered and were generally not followed up.

For the future, the evaluation weighs the arguments for and against continuing METAP and finds, on balance, a strong case for a fifth phase, provided sufficient donor support can be assembled, with the objective: "*to strengthen the momentum for policy reform and institution building that could contribute to economic growth and/or poverty reduction by better use of environmental assets and resources*". Addition of a project preparation theme would be a decision for EIB.

The review recommends that cooperation between the METAP Partners be strengthened, especially by vigorous follow-up to the Memorandum of Understanding between EU, EIB and WB and that cooperation between MAP and METAP be put on a more formal foundation. It is suggested that METAP can have a vital role bridging the gap between the knowledge generation activities of MAP and the project preparation needs of the donors.

The Partners may wish to consider the possibility of giving METAP a more formal status, allowing it to negotiate agreements in its own right and defining the responsibilities of the Partners, MBCs and Secretariat. On the other hand, they may see value in the flexibility of the present system. The evaluation supports efforts to have donors provide programmatic support for METAP V, rather than project-specific funding, perhaps starting with a formula to fund the cost of the Secretariat.

The review recommends that a structured consultative process be designed over the final year of METAP IV to agree on future program priorities, coalescing the interests of Partners and MBCs. This is needed to avoid, on the one hand, any feeling that priorities are being supply-driven by the donors or, on the other, that expectations of support in the MBCs are raised to unrealistic levels. Some suggestions are made for continuing support on selected current activities and possible new areas of focus. A minimum size of \$15 million is proposed for METAP V capacity building, although the management system could probably cope with twice this volume. New sources of funding should be tapped, where possible.

The evaluators note that METAP IV has become geographically unbalanced, with 90% of resources going to the southern and eastern countries and recommend that this be redressed in any future phase.

The review makes no recommendation on the future system of governance but sets out six scenarios, ranging from “business as usual” to more radical options, such as a regional secretariat owned by the MBCs or an EU/ WB Joint Office. Arguments for and against each option are presented for consideration by the Partners and MBCs.

The evaluation of METAP IV leads to three main conclusions:

1. METAP IV was well designed and is being well implemented. Project quality is very good and expected project outcomes are very positive. Some problems identified can be readily dealt with.
2. Over its four phases, METAP has been notably successful and has contributed significantly to the progress made over the last 14 years by the Mediterranean countries towards environmental protection.
3. Despite this progress, many environmental challenges remain and the Mediterranean countries deserve the support of the international community in addressing them. Continuation of METAP could make a valuable contribution to this objective. The review makes a number of recommendations for defining the scope of and management system for a METAP V, as well as on strengthening partnerships, funding and geographic balance.

# METAP IV Evaluation

## 1. Introduction

### 1.1 Background

1. The Mediterranean Environmental Technical Assistance Program (METAP), a partnership among the European Union, European Investment Bank, the United Nations Development Program, Switzerland, Finland, and the World Bank currently provides assistance to thirteen Mediterranean Beneficiary Countries (MBCs). Those beneficiary countries are at present Albania, Algeria, Bosnia-Herzegovina, Croatia, Egypt, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Turkey, and West Bank and Gaza<sup>1</sup>.

2. METAP grew out of an assessment of environmental issues affecting the Mediterranean Sea made in 1988-90 by the WB and EIB (The Environmental Program for the Mediterranean (EPM))<sup>2</sup>. The overall objectives of METAP, as laid down at its inception in 1990, are to:

- Strengthen the institutional capacity required to manage environmental issues;
- Prepare a strong portfolio of priority environmental projects in order to accelerate and catalyze investment in environmental activities in the region; and
- Formulate a set of focused key policy factors affecting the Mediterranean.

3. METAP has consisted of four phases, as outlined in Table 1.

**Table 1: METAP Phases**

| METAP Phase | Duration     | Total Funding – US\$ |
|-------------|--------------|----------------------|
| I           | 1990 to 1993 | 12.73                |
| II          | 1993 to 1996 | 14.54                |
| III         | 1996 to 2001 | 20.28                |
| IV          | 2001 to 2005 | 12.44*               |
| All         | 1990 to 2005 | 59.99                |

\* This is the figure as of Jan 2005. Some additional funding requests are still under consideration. Not included are EIB's expenditures on project preparation and, because of this, the figure for METAP IV is not comparable with the earlier phases.

<sup>1</sup> Cyprus and Slovenia ceased to be active beneficiaries upon joining the EU in May 2004. Malta was a beneficiary only in METAP I.

<sup>2</sup> "The Environmental Program for the Mediterranean: Preserving a Shared Heritage and Managing a Common Resource", World Bank/ EIB, March 1990.

4. METAP I priorities included integrated water resource management; solid and hazardous waste management; marine oil and chemical pollution prevention and control; and coastal zone management. In May 1993, a Ministerial Conference on the Environment in the Mediterranean Region was held in Casablanca, Morocco to launch METAP II, focusing on programming for water, urban environmental management, institutional development and capacity building.

5. METAP III focused on only three themes – **Capacity Building; Pollution in Hot Spots; and Integrated Water and Coastal Zone Management**. The Partners established and co-financed a METAP Regional Facility in Cairo, consisting of a Project Preparation Unit (staffed by the WB and EIB), for policy support, project related capacity building, and project preparation; a Capacity Building Unit (staffed by UNDP), for assisting countries in planning, designing and implementing national strengthening capacities, and part of UNDP’s activities under the Regional Capacity Building Program (RCBP), to promote exchange of experience, and strengthen institutional and network links with and among the MBCs. In addition, EIB managed other project preparation from its Luxembourg headquarters. The WB continued to house the METAP Secretariat, responsible for reporting to and coordinating with Partners, while UNDP managed several RCBP programs. The EU and Switzerland were actively involved in policy and programmatic guidance. At the country level, enhanced responsibilities, training and tools were given to the National Focal Points (NFPs). Annual meetings of NFPs constituted the formal forum of consultation between METAP Partners and the MBCs. Due to operational difficulties and lowered expectations as to the size of the program, the METAP Regional Facility was closed in 2001 and activities were transferred to the METAP Secretariat. An independent evaluation of METAP III was made in 2000.

## 1.2 Purpose and Scope of the Evaluation

6. At their meeting in Tunis in September 2004, the METAP Partners asked that an evaluation of METAP IV by independent consultants be completed before their next meeting in Luxemburg in April 2005, in order to guide their decision-making with respect to the future of METAP. Terms of Reference for the work are shown in Annex 1 and, in accordance with them, the consultants have visited a majority of MBCs<sup>3</sup> and held discussions with NFPs, staff involved in METAP IV studies, potential users of such studies, NGOs, policy makers and others. Visits were also made to Partner headquarters<sup>4</sup> for discussions with managers and METAP decision-makers. METAP Secretariat staff was interviewed with respect to the projects that they manage and key documents were reviewed, including some evaluations of completed METAP IV projects.

7. Given budget and staffing limitations, the review does not cover financial management nor procurement. As the number of project preparation studies decreased substantially since 2001, no review of EIB project preparation work under METAP IV has been made, although their views on the future of METAP have been reflected in Chapter 5. It should also be noted that METAP IV is only about 50% completed, in

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<sup>3</sup> Croatia, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia. Email and/or telephone discussions were held with the remainder.

<sup>4</sup> Except for Switzerland, which was contacted by email.

terms of disbursement. However, the final outcomes can be extrapolated for most of its activities.

8. Chapter 2 describes the origins and scope of METAP IV, while Chapter 3 evaluates its achievements and shortcomings. Chapter 4 attempts to assess the overall impact of the four phases of METAP and the sustainability of those results, while Chapter 5 looks at options for the future of the program.

## 2. The METAP IV Program

### 2.1 Lessons from METAP III

9. The independent evaluation of METAP III (Annex 2) included reviews of key program and project documents and interviews with Partner representatives, NFPs and other MBC stakeholders, and staff of the METAP Secretariat and the Regional Facility in Cairo. The evaluation showed that METAP III had been largely successful in achieving its objectives. The regional, multi-year approach added value and the beneficiaries appreciated the attempts by donors to coordinate assistance.

10. Project preparation was deemed particularly successful, with follow up investments likely to exceed \$1 billion, albeit mostly in EIB's portfolio. EIB receives funds from the EU, which allow it to subsidize interest rates for environmental projects. Since 2002, under the FEMIP<sup>5</sup> program, EIB has also received EU funds to provide grants for technical assistance elements of projects, as well as project preparation. Other donors are also providing concessional funds. WB funding is, therefore, less attractive to the MBCs in many cases. The quality of METAP III projects was found to be good, with some highly innovative examples. Nevertheless, progress was limited in some priority areas, such as coastal and water resources management and industrial pollution.

11. Stakeholders agreed that capacity building was central to improved environmental protection and the RCBP was found to be very satisfactory but national activities under UNDP's Agenda 21 much less so, due to inadequate management. The first efforts at linking economic and environmental policy-making under the label MEDPOLICIES (A METAP Policy Tools package) – related mostly to trade and privatization – were judged to be promising, as were the beginnings of the Environmental Impact Assessment (EIA) program.

12. The MBCs all supported the continuation of METAP and the evaluation team made some suggestions for designing METAP IV under the serious financial constraints likely to exist– emphasizing selectivity and cost-effectiveness, through greater use of electronic tools, regional expertise and the like. The evaluation also made a case for continuing the unit in Cairo in a more cost-effective form, following the wishes of nearly all MBCs.

13. The following sections will show that most of the lessons of METAP III were taken into account in designing METAP IV, especially with respect to selectivity, cost-effectiveness, capacity building and economic policy linkages. There was less progress, however, with respect to decentralized management.

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<sup>5</sup> *Facilité Euro-Méditerranéenne pour l'Investissement et le Partenariat* (Euro-Mediterranean Facility for Investment and Partnership) – the fund managed by EIB for technical assistance in project preparation and implementation.

## 2.2 METAP IV Objectives

14. According to the Program Concept Document (PCD)<sup>6</sup> (Annex 3), the objective of this phase of METAP<sup>7</sup> was:

- to assist the beneficiary countries in project preparation and to strengthen their capacity in selected regional environmental management activities.

15. Project preparation was to be managed by EIB from their headquarters and capacity building by the METAP Secretariat at the WB headquarters.

## 2.3 Program Design

16. The capacity building program was divided into three Pillars to reflect the aim of selectivity and the expressed priorities of the MBCs for METAP IV:

Pillar 1: Water and Wastewater Management

Pillar 2: Solid and Hazardous Waste Management

Pillar 3: Legislation and Policy Implementation Tools<sup>8</sup>

17. Two cross-cutting programs were expected to underpin both the project preparation and capacity building themes: *capacity building at the local level*; and, *a regional knowledge management system*. These cross-cutting programs were expected to ensure cross-fertilization, cooperation and coordination between the themes and Pillars. While the cross-cutting objectives were expected to be achieved primarily through components of each project<sup>9</sup>, additional support was expected to be provided by UNDP,

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<sup>6</sup> “METAP 2001 and Beyond: A Renewal of Environmental Support for the Mediterranean Countries – Program Concept Document”, METAP Secretariat, June 15, 2001.

<sup>7</sup> The phase was originally called *METAP 2001 and Beyond*, to emphasize the more flexible approach envisaged and the initial commitment for two years only. The name METAP IV was adopted for ease of reference at a Partners meeting in Libya in 2002.

<sup>8</sup> The names of the Pillars vary considerably in various program documents. The most often used current names appear to be:

- Water quality, wastewater and coastal zone management
- Municipal and hazardous waste management
- Policy and legislation tools

Such changes reflect the evolving pattern of committed and potentially available funding. The names are important to the extent they reflect the expectations of the MBCs as to priorities. For example, wastewater is important to the MBCs but the evaluation team is not aware of any attempt to obtain funding in this area. Legislation is also important to the MBCs but METAP IV’s work on this, which has been valuable, has been incorporated in the technical programs of Pillars I and II, not III.

<sup>9</sup> This is the view of the Secretariat and is based on their reading of the PCD, which says on local capacity building: “...the major tasks would be to build capacity in local governments and communities *on* [not *through*] the three METAP Pillars using, to the extent possible the professional networks established and supported by METAP (MEDCITIES, MEDWAN, MED-ECOMEDIA).” For knowledge management, the PCD states: “It is planned that a cross-cutting activity, to build on the technology available and establish a regional information *network[s]* to maintain and disseminate knowledge *related to* the three METAP pillars and programs, would be developed.” (Italics ours)

which had developed detailed proposals for donor consideration at the time of program launch.

18. As in previous phases of METAP, priority was given to questions which can most effectively be addressed in a regional context, allowing countries to learn from each others' experience. Cooperation with other regional programs, especially the Mediterranean Action Plan (MAP), was also stressed.

19. Given the realities of funding and the unwillingness of donors to provide "structural" rather than project funds, the design of METAP IV was more of a framework into which specific projects could be fitted when funding was obtained, rather than a fully detailed multi-year program. Nevertheless, the program that has emerged (Table 3) is quite consistent with the forecasts made in the 2001 document.

## **2.4 Organization and Management**

20. An innovation of METAP IV was expected to be the devolution of day to day management of each Pillar to a qualified regional institution (para. 43), to enhance cost-effectiveness, to give MBCs a greater sense of ownership and to reduce the administrative burden on the Secretariat, which was expected to consist of one full-time and two part-time staff. Furthermore, the use of qualified MBC nationals was to be stressed. It was also proposed to replace the previous system of Steering Committee (donor) and National Focal Points (NFPs) meetings with a single Annual Meeting. Additionally, dialogue between the Partners was expected to ensure full funding, greater integration of efforts and reduced overlaps.

21. Finally, it was expected that each project would have a strong monitoring and evaluation function.

## **2.5 Costs and Financing**

22. At the time of launch, METAP IV had commitments of \$3.8 million financed and managed by EIB for project preparation, and \$4.5 million from various donors for capacity building managed by the World Bank Secretariat. Proposals for an additional \$9.6 million had been submitted to donors at that time, for a total of \$14.1 million, which is somewhat above the present committed figure of \$12.4 million. Proposals for a further \$7.7 million are still being marketed (para. 32), although substantial additional funding now appears unlikely. Current data on funding commitments and disbursement and on the cost of the Secretariat are shown in Tables 3 and 4.

### **3. Evaluation of the METAP IV Program**

#### **3.1 Program Objectives, Scope and Relevance**

23. The purpose of this chapter is to compare the actual (and expected) outcomes and impacts of METAP IV with the expectations of the Program Concept Document (PCD) of June 15, 2001. The PCD was prepared by the METAP Secretariat and approved by the METAP Partners in Damascus in 2001. The METAP IV objective (para. 14) is consistent with the overall METAP objectives (para. 2) and with the expressed priorities of the MBCs. The projects included in METAP IV are fully consistent with that objective, although stakeholders agree that, with greater funding, more progress toward the objective might have been possible.

24. While EIB's work on the *project preparation theme* is not the subject of this evaluation, the review notes that the separate management of the project preparation and capacity building themes, by EIB and the METAP Secretariat respectively, has limited the exchange of information between them to the more formal channels of Partners meetings, dissemination of reports and the like.

25. Turning to the *capacity building theme*, which is the subject of this evaluation, the selection of the three Pillars was appropriate, as is the continuing shift in emphasis to the third Pillar – Policy Tools. It is clear that the MBCs require continuing support in adapting their policies, laws and procedures to evolving environmental needs, both national and international, and METAP is uniquely positioned to assist in this area, through its access to WB specialists and other international experience. Pillar II on solid waste has been well covered with two well-designed projects and a third in preparation. However, due to funding limitations, Pillar I is only able to deal with selected issues of water resources management, though its approach to coastal zone management is much more comprehensive.

26. Essentially all stakeholders agree that, by operating as a regional program dealing with problems of interest to all or several MBCs, METAP offers a unique opportunity for countries to learn from one another and that this approach adds value. It should also be noted that the regional approach also add costs (regional workshops, document translation and dissemination and more complex management) compared to a series of country projects. However, experience shows that, when these costs are appropriately managed, there is a net benefit to the regional model.

#### **3.2 Program Evaluation Methodology and Results**

27. A standard project evaluation sheet was developed and applied to the eight "major" METAP IV projects under the capacity building theme. These eight projects are: Integrated Coastal Zone Management (ICZM); Water Quality; Regional Solid Waste Management Program (RSWMP); Mediterranean Urban Waste Management Project (MUWMP); Cost of Environmental Degradation (COED); Environmental Impact Assessment (EIA); Trade and Environment; Communications. The results are shown in Annex 5, together with briefer notes on the remaining five activities, which are either

small, at an early stage of development or not yet funded. In order to assist the reader in tracing specific projects through the various tables and annexes, a system has been developed to show the pillar and project number. The order of the projects is not chronological but rather the order used in the Status of Funds table (Table 3).

28. It should be noted (Table 3) that only 50% of METAP IV funds have been disbursed to date, with another 40% committed. Nevertheless, most activities are sufficiently advanced to make an interim evaluation.

29. Evaluation results are summarized in Table 2. The *Regional Solid Waste Management Project* (RSWMP) was rated **HS** (highly satisfactory) because of its comprehensive approach, good implementation, excellent dissemination of results and likely major impacts. The *Trade and Environment Project* (3.4) is also rated **HS**, because of its cost-effectiveness, the quality of its products, and the evidence that they have influenced trade policies. Five major projects were rated **S** (satisfactory).

30. The *Integrated Coastal Zone Management* (IZCM) *Project* was rated **MS** (marginally satisfactory) because of the time lost due to the WB trust fund reform program, too much emphasis on COED and consequent limited progress on some other project components, and inadequate dissemination and reporting. However, the evaluation team also feels that these deficiencies could be made up with creative use of the remaining uncommitted funds and in the one-year extension period now under consideration and makes some detailed suggestions to this effect in Annex 5. Given the importance of ICZM within the METAP framework, continued support to build on the foundation already established will be vital.

31. The projects reviewed score particularly well on **Relevance**, as they are all directed at problems considered to have high priority by most observers. The shift towards assistance in the policy area is very appropriate, given that most of the MBCs have established the basic tools of environmental management but still need to mainstream environmental factors into their overall decision-making. The projects also score well on **Efficiency**, making effective use of limited funding. However, it must also be recognized that projects like Water Quality (1.2) are seriously underfunded. The **Effectiveness** of those projects which are sufficiently advanced to justify a rating also looks promising, though this must remain an interim judgment until final results have been obtained and impacts observed.

32. The Secretariat is actively pursuing additional funding within the METAP IV time frame for the following projects:

- ICZM – assistance to MBCs in the implementation of SMAP III, in collaboration with PAP/RAC. US\$ 0.7 m. EU-SMAP.
- Water Quality – modules 2, 3 and 4. US\$ 0.5 m. Discussions initiated with the Canadian International Development Agency (CIDA) and the US Agency for International Development (USAID).
- Hazardous Waste. US\$ 6.5 m. Proposed to EIB and UN-HABITAT. The proposal builds on ideas developed under earlier Swiss funding.

33. The evaluation considers that these proposals, if funded, would add considerable value to the METAP IV portfolio. Completing the funding of Water Quality is especially urgent, as the truncated project is sub-optimal. However, it now appears that funding may be received too late for work to be completed before the METAP closing date of June 30, 2006, in which case such projects might be considered the vanguard of METAP V, if such a program is agreed.

34. For the reasons noted in para. 53 below, the Knowledge Management Project (Annex 5) proposed by UNDP is not being actively pursued and a proposal for Strengthening the Economic Tools for Environmental Sustainability for US\$ 0.86 m. was recently withdrawn by the Secretariat from consideration by the Program of Technical Assistance to Third Countries (EC-LIFE) because of incompatible administrative procedures (Box 1).

### **Box 1: Incompatible Procedures**

#### **EC-LIFE III**

METAP was successful in its Cost of Environmental Degradation work (Project 3.1), which was well received by countries of the MNA region. A request was made from a number of these countries to help them build their capacity in the use of other economic instruments, such as benefit-cost analysis. A survey was undertaken of all the METAP countries and seven countries were positive in responding (Algeria, Egypt, Jordan, Libya, Morocco, Palestinian Authority, and Tunisia). In one of the final rounds of the proposal, the EC requested that Libya be removed from the list of countries, as it would not be eligible for financial assistance. The proposal for Euros 750,000 was submitted in November 2003. Although the proposal was successful, the WB could not accept the funds because LIFE III provisions were not compatible with the already established framework agreement between the EC and the WB.

#### **ICZM**

The World Bank's Trust Fund program was reformed in 2002 and, effective 1 July 2002, all existing Consultant Trust Funds (CTFs) were frozen until new agreements had been negotiated with the donors. Basically, all CTFs became tied to nationals and could not be earmarked for particular purposes. The Finnish CTF supporting the METAP ICZM (through a "baby CTF") did not fit into the new scheme and a solution had to be worked out on an exceptional basis. This consisted of two Special Purpose Trust Funds, one to support the Seconded Expert and one to support other ICZM activities under the program. The administrative agreements for these CTFs were signed September 15, 2003 and October 20, 2003 respectively, thus delaying program activities by more than a year.

35. Given the complexities of designing, funding and implementing regional environmental programs, the evaluation considers these results as very satisfactory; they reflect well on the commitment of the Partners and MBCs, the selective and cost-effective design of the METAP IV program and the individual projects, and the effectiveness of management by the Secretariat. Apart from concerns on the unwillingness of donors to commit more funds to METAP IV and some reservations regarding the cross-cutting programs (paras. 50-55), the evaluation finds that the program shows promise of meeting fully the expectations set out in the Program Concept Document.

### 3.3 METAP IV Impacts

36. Only three major METAP IV projects have been completed and (internal) evaluations are available in each case. For Project 2.3: *Mediterranean Urban Waste Management Project* (MUWMP), three pilot projects were successfully implemented in different areas of municipal solid waste management and at least two have been sustained and are generating interest from other countries. Project 3.2: *Environmental Impact Assessment* (EIA), has contributed to new policies and laws, strengthened procedures, improved inter-ministerial coordination, and increased public participation. Project 3.4: *Trade and Environment*, has produced a number of studies of specific industries, transfers of knowledge among MBCs, changes within trade ministries, and has generated several follow-up projects.

37. The picture for the other major projects which are sufficiently advanced so that impacts can be anticipated is also positive. Project 1.1: *ICZM*, has built capacity among MBCs. has contributed to national policy debates, and has completed a number of pilot projects. Project 2.2: *RSWMP*, has led to changes in policies, strategies and laws, as well as cost recovery initiatives, as well as considerable capacity building. The results of Project 3.1: *COED*, have been well disseminated through publications and are attracting considerable attention from the international community and within MBCs. For the remaining activities, it is too early to tell what their impacts might be. Details can be found in Annex 5.

### 3.4 Governance and Management

38. One of the claims of METAP is that it enhances coordination between the major donors to the Mediterranean region and there is increasing evidence of that. The May 2004 Memorandum of Understanding between the EU, EIB and WB provides a powerful basis for strengthening future cooperation in all fields (see Chapter 5), as does the earlier Framework Agreement between the EU and the WB. Cooperation between MAP and METAP has become much stronger, especially on ICZM. However, problems remain. The Partners may choose not to channel all their environmental assistance to the MBCs through METAP and some major donors are entirely outside the METAP umbrella. Incompatible procedures, especially between the LIFE instrument of the EC and the WB, have made negotiating some agreements a formidable and time consuming process, leading to withdrawal of one major proposal after the expenditure of considerable staff time (Box 1). Competitive bidding for funds (as in SMAP), while beneficial in principal, may not be appropriate for international programs like METAP.

39. **Governance.** The integration of the Partners and NFP Meetings into a joint annual meeting, with separate breakout sessions for each group, together with a second Partners meeting in between, appears to be a successful advance on the previous model<sup>10</sup> and MBC representatives do not, on the whole, see the governance as excessively donor driven. Nevertheless, other comparable regional programs<sup>11</sup> have considerably more

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<sup>10</sup> Which was back-to-back meetings of Partners (Steering Committee) and NFPs.

<sup>11</sup> For example, Black Sea, Danube, Aral Sea, Nile Basin, or Congo Basin Environmental Information.

“ownership” by the beneficiary countries, as well as backing in international law from conventions or agreements. However, greater MBC participation in METAP decision-making is unlikely unless they are willing to make some financial contribution to the program. This issue is explored further in Chapter 5.

40. **Management.** A valid criticism of the last annual meeting was that there was no formal progress report on the program by the Secretariat, along the lines of the annual Activity Reports that were prepared (although not in a very timely fashion) from 1990 to 2000. Such reports need not duplicate the detailed information on specific projects that the website is now providing but rather make a candid assessment of progress in the previous year and goals for the coming year, together with financial information and key data on donor commitments, major contract awards etc. While Powerpoint slides are a useful way to brief the meeting on highlights of the program, they are of little use as a permanent record of program achievements and shortfalls.

41. The METAP website ([www.metap.org](http://www.metap.org)) is a good source of knowledge on the program for the general public<sup>12</sup>. Current efforts to update it should rectify the problems of outdated material that the review noted. The METAP Newsletter has been revived and also provides useful information to a more specialized public.

42. The Partners and MBCs may wish to consider whether it would be useful to them for the Secretariat to send a monthly email (not shared with the wider METAP mailing list) on key “insider” information like donor approvals (or rejections), signing of major contracts, receipt of Inception or Final Reports, and unresolved problems. This may enhance the sense of partnership and avoid the kinds of misunderstandings as to the correct state of affairs that some MBCs expressed to the review team.

43. The system of delegating day-to-day management of each pillar to a competent regional institution envisaged in the Program Concept Document has only been partly implemented. It is most evident for Pillar II, where a Regional Management Group (RMG) has been established within Tunisia’s environmental agency to manage aspects of the RWSMP (though it was not involved with the earlier MUWMP (Project 2.1) which was also part of Pillar II), with the Secretariat retaining major decision-making, such as procurement (as required under the related trust fund agreement and as foreseen in the PCD). Other examples of decentralization, at the *project* not the *pillar* level, include the role of the UN Economic and Social Commission for Western Asia (ECSWA) in the Trade and Environment Project, CITET in the EIA Project and Egypt’s National Water Research Centre in (one component only of) the Water Quality Project. All these experiments in devolution to regional centers appear to have been very successful, with a high level of project quality and greater cost-effectiveness than management from the outside, suggesting that any extension of METAP should move further in that direction.

44. Given that devolution was less extensive than envisaged at the outset, it follows that the Secretariat has become larger than the one full-time and two part-time staff

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<sup>12</sup> While the website, if expanded and updated, can provide good general information on the program, it should not be seen as a substitute for an Annual Report to the Partners and MBCs, which needs to provide a more candid assessment on progress and problems.

envisaged in the Program Concept Document. The Secretariat now has three full-time and three part-time staff, in addition to the METAP Coordinator. As a result, each major project has a staff member to oversee it and the intensity of supervision appears very satisfactory. The work of consultants is being appropriately supervised and Secretariat staff are reviewing and commenting on all draft reports. The Secretariat appears to be more “on top” of the program than was the case for METAP III at a comparable stage, where the program was diverse and sprawling and management was divided between three units in Cairo plus Washington, New York and Luxembourg. The evaluation considers that the close attention to implementation now given by Secretariat staff is a major factor in the positive evaluation of project outcomes just reported.

45. Given that the METAP Coordinator adds considerable value to the program by frequent travel to the region and by meeting with high-level MBC officials, he needs to continue to have strong back-up in Washington to solve day-to-day problems, as well as handle the improved reporting measures outlined in paras. 40 and 42.

### **3.5 Monitoring and Evaluation**

46. The recommendation in the METAP III evaluation for more systematic monitoring and evaluation of METAP projects has only been partly achieved in METAP IV. Few of the projects have good monitorable performance indicators. The largest project, RSWMP, has useful quarterly progress reports and provision for mid-term and final reviews by an independent consulting firm. Three completed projects, MUWMP, EIA and Trade and Environment, have had substantial internal evaluations with good derivations of lessons learned. Recommendations for improved reporting and for adding an evaluation step to the remaining major projects are given in Annex 5.

### **3.6 Costs and Financing**

47. A problem for METAP since its inception has been the unwillingness of donors to commit funds on a “programmatic” or “structural” basis; in other words, funding of a share of the overall agreed program, with details to be negotiated later. Even the WB only allocates funds for the Secretariat on a year-by-year basis. Instead, donors have preferred to fund specific projects and, in the case of the major donor EC-SMAP, this has been on the basis of METAP competing with other organizations for funding of projects designed by SMAP. The result is that the Secretariat has spent a great deal of time in fund raising and in trying to meet the varying requirements of the different donors (Box 1).

48. The other financing issue has been the reluctance of the MBCs to make any contribution to the fixed costs (Secretariat etc.) of METAP, though there are examples of contributions to specific projects.

49. Table 4 shows a comparison of program versus management costs. Direct comparison of the two figures is difficult because of disbursement lags. However, if the total disbursed is projected to reach \$12.0 million by June 30, 2006 and management (Secretariat) costs then total about \$2.3 million, the ratio of management to program costs would be about 19%. While this would be considered unacceptably high for an

investment program, the evaluation considers this ratio acceptable for a technical assistance program of the complexity of METAP, especially when program outputs are of the high quality found above. As each of the Partners shares in the total benefits of METAP but pays only a portion of the cost, their funds are well leveraged. For example, for the WB, its projected budgetary contribution of about \$0.9 million by program end is leveraging a total of \$12.4 million in technical assistance – a ratio of nearly 14.

### 3.7 Cross-Cutting Programs

50. The two expected cross cutting programs – in knowledge management and in local capacity building – have not materialized as envisaged at the outset, due both to funding difficulties and differences in approach between the WB and UNDP.

51. **Local capacity building**, along the Agenda 21 model of empowering local community leaders, had limited success in METAP III, with problems more related to managerial than design deficiencies. While it is true that public awareness and participation are essential to the success of many kinds of environmental planning and implementation (including especially ICZM and solid waste management), it does not necessarily follow that such capacity building really lends itself to a regional approach. It may be better to build local capacity in conjunction with pilot projects and pre-feasibility studies, as has happened to some extent under various METAP IV projects (Annex 5).

52. Developing comprehensive and effective systems of **Knowledge Management (KM)** at a regional scale, however, remains central to effective environmental management in the Mediterranean region. Technology is evolving rapidly, so that the internet is now probably the main channel for accessing information globally. With the main channel already in place, it seems to the review team that the priority needs are to ensure that valuable knowledge is being linked to the internet and that potential users know where and how to look for information. For example, there are a number of libraries and document collections in the region on Mediterranean environmental issues but these are not, for the most part, accessible from the internet. The Secretariat's own KM system is incomplete and many project documents from previous phases can no longer be readily accessed.

53. The thrust of the UNDP KM proposal (Project 4.1) is *institutionalization* of KM, by creating KM “hubs”. The reviewers consider that the KM project could rely on the institutions that are already found in the countries (Priority Action Programme/Regional Activity Centre of MAP being an excellent example, and CITET (*Centre International des Technologies de l'Environnement de Tunis*) another, etc.) and reinforce them by making their mutual connection operational and by allowing them access, via the Web to all the potential users. This will be in the trend of the 2003 Needs Assessment carried out jointly by UNDP and the WB, which recommended *inter alia*: putting knowledge generators in the “driver's seat”; promoting people to people connections online; taking into account cultural and language preferences; and phasing in of a program. This review would add that, more than most METAP projects, this one needs to cover *all* the MBCs, with strong links to knowledge in the highly developed countries. The cost would, no doubt, be substantial but this needs to be weighed against user demands and the cost

savings that could be realized by not reinventing the wheel or mounting another expensive workshop.

54. Given that Project 4.1 is unlikely to proceed as currently proposed, we need to examine the Secretariat's assertion that KM is being covered by activities under each of the remaining projects and, accordingly, a sub-heading was added to the project evaluation sheet in Annex 5. Results show that a KM objective is being only partially realized and that considerably more is needed even to disseminate knowledge in the specific areas covered by the METAP IV projects, to say nothing of the many areas of environmental information that are not covered by the program (which would actually go beyond the scope of the proposal in the PCD). Nevertheless, good results are being obtained in, for example, the RSWMP, EIA and COED Projects<sup>13</sup>. The new project on *Communications* (Project 4.2) is a worthwhile attempt to fill gaps in KM, though only at a pilot level in four countries.

55. This Review recommends that, in the course of the next year, KM priorities and achievements be assessed in more detail than was possible here, with a view to designing a follow-up activity if there is likely to be a further METAP phase. Any such project should focus on facilitating the accessibility of existing and new knowledge through the internet and other means. The recent initiative of the Secretariat to summarize key information from ongoing projects in one-page "flyers" for each country is a very worthwhile example of how to convey information to senior policy makers.

56. The METAP website ([www.metap.org](http://www.metap.org)) is well designed and potentially powerful but not all its pages are up to date and not all projects are covered. Links to documents could be expanded, including the most valuable examples from earlier phases (Chapter 4). It is understood that these issues are being addressed in the current upgrading of the site.

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<sup>13</sup> More attention to KM is needed in the ICZM Project. The review notes that the PCD target – "Elements of the METAP III RCBP, especially MED-ECOMEDIA and MEDCITIES, and activities under each of the above pillars, would be integrated into the data base, as would existing regional data banks (such as those of MAP and CITET) and global data bases, including those of UNEP. Dissemination mechanisms within the MBC, including the private sector and NGOs, would be established." – has clearly not been achieved and was probably over-ambitious.

**Table 2: Project Evaluation Summary [move tables 2,3 and 4 further forward close to where they are first mentioned]**

| Project |  | Cost    | Funding Source                     | Status | Evaluation |            |               |         |
|---------|--|---------|------------------------------------|--------|------------|------------|---------------|---------|
| No.     | Name   | US\$ m. |                                    |        | Relevance  | Efficiency | Effectiveness | Overall |
| 1.1     | Integrated Coastal Zone Management           | 1.8     | Finland                            | U      | S to MS    | MS         | S             | MS      |
| 1.3     | Water Quality                                | 0.3     | Switzerland                        | U      | S          | HS         | TBD           | S       |
| 2.2     | Regional Solid Waste Management Program      | 8.9     | EU/WB/MBCs                         | U      | HS         | S          | S             | HS      |
| 2.3     | Mediterranean Urban Waste Management Project | 0.9     | EU                                 | C      | HS         | S          | S             | S       |
| 3.1     | Cost of Environmental Degradation            | 0.2     | Switzerland                        | U      | S          | HS         | S             | S       |
| 3.2     | Environmental Impact Assessment              | 1.1     | WB/<br>Netherlands/<br>Switzerland | C      | S          | S          | HS            | S       |
| 3.4     | Trade and Environment                        | 0.4     | WB/<br>Netherlands                 | C      | HS         | HS         | S             | HS      |
| 4.2     | Communication                                | 0.2     | Italy                              | I      | HS         | S          | TBD           | S       |

Status: I – initiated; U – underway; C – completed.

Evaluation: HS – highly satisfactory; S – satisfactory; MS – marginally satisfactory; MU – marginally unsatisfactory; U – unsatisfactory; HU – highly unsatisfactory.

**Table 3: METAP IV Capacity Building Theme – Status of Funds (December 31, 2004)**

| Project   |                                      | Partner | Source of Funds | Project Costs (\$ million) |             |             |
|---|--------------------------------------|---------|-----------------|----------------------------|-------------|-------------|
| No.   | Name                                 |         |                 | Total                      | Disbursed   | Committed   |
| <b>I. Water, Wastewater and Coastal Zone Management</b> |                                      |         |                 |                            |             |             |
| 1.1   | Integrated Coastal Zone Management   | WB      | Finland         | 1.80                       | 0.93        | 0.38        |
| 1.2   | Land-based Sources of Pollution      | WB      | MAP/GEF         | 0.09                       | 0           | 0.02        |
| 1.3   | Water Quality                        | WB      | Switzerland     | 0.30                       | 0.05        | 0.24        |
| <b>Sub-Total</b>  |                                      |         |                 | <b>2.19</b>                | <b>0.98</b> | <b>0.64</b> |
| <b>II. Municipal and Hazardous Waste Management</b>     |                                      |         |                 |                            |             |             |
| 2.2   | Regional Solid Waste Management      | WB      | EU – SMAP       | 5.60                       | 1.74        | 3.66        |
| 2.3   | Med. Urban Waste Management          | UNDP    | EU – SMAP       | 0.90                       | 0.90        | 0           |
| 2.4   | Hazardous Waste Management           | WB      | Switzerland     | 0.06                       | 0           | 0           |
| <b>Sub-Total</b>  |                                      |         |                 | <b>6.56</b>                | <b>2.64</b> | <b>3.66</b> |
| <b>III. Policy and Legislation Tools</b>                |                                      |         |                 |                            |             |             |
| 3.1   | Cost of Environmental Degradation    | WB      | Switzerland/ WB | 0.20                       | 0.09        | 0.03        |
| 3.2a  | Strengthening EIA                    | WB      | WB – DGF        | 0.70                       | 0.70        | 0           |
| 3.2b  | Strengthening EIA                    | WB      | Netherlands     | 0.05                       | 0.05        | 0           |
| 3.2c  | EIA                                  | WB      | Switzerland     | 0.25                       | 0.06        | 0.07        |
| 3.3   | Banking and Environment              | WB      | Switzerland     | 0.23                       | 0           | 0.20        |
| 3.4a  | Environment and Trade Capacity Bldg. | WB      | WB – DGF        | 0.30                       | 0.29        | 0           |
| 3.4b  | Environment and Trade                | WB      | Netherlands     | 0.10                       | 0.10        | 0           |
| <b>Sub-Total</b>  |                                      |         |                 | <b>1.83</b>                | <b>1.29</b> | <b>0.30</b> |
| <b>Other Support</b>                                    |                                      |         |                 |                            |             |             |
| 4.1   | Knowledge Management                 | WB      | Switzerland     | 0.10                       | 0.05        | 0.02        |
| 4.2   | Communications                       | WB      | Italy           | 0.20                       | 0           | 0.2         |
| ---   | Project Preparation                  | WB      | EU              | 0.10                       | 0.10        | 0           |
| ---   | Administration and Management        | WB      | Switzerland     | 0.26                       | 0.09        | 0.04        |
| ---   |                                      | WB      | WB Budget       | 1.20                       | 1.05        | 0.15        |
| <b>Sub-Total</b>  |                                      |         |                 | <b>1.86</b>                | <b>1.29</b> | <b>0.41</b> |
| <b>Total</b>  |                                      |         |                 | <b>12.44</b>               | <b>6.20</b> | <b>5.01</b> |

Source: METAP Secretariat

**Table 4: METAP IV Capacity Building Theme – Program and Management Costs  
(\$ thousands)**

| <b>Source of Funds</b>  | <b>2002*</b> | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>Total**</b> |
|-------------------------|--------------|--------------|--------------|--------------|----------------|
| <b>Program Costs</b>    |              |              |              |              |                |
| Swiss CTF               | 284          | 284          | 284          | 285          | 1,137          |
| EU CTF                  | 1,087        | 1,088        | 1,087        | 1,088        | 4,350          |
| WB – ECA region         | 0            | 0            | 30           | 0            | 30             |
| Finnish Specialist***   | 73           | 73           | 73           | 73           | 292            |
| Finnish CTF             | 204          | 204          | 204          | 204          | 816            |
| <b>Sub-Total</b>        | <b>1,648</b> | <b>1,649</b> | <b>1,678</b> | <b>1,649</b> | <b>6,624</b>   |
| <b>Management Costs</b> |              |              |              |              |                |
| Swiss CTF               | 66           | 66           | 66           | 65           | 263            |
| EU                      | 162          | 163          | 162          | 163          | 650            |
| Finnish Specialist***   | 31           | 31           | 31           | 32           | 125            |
| EIB                     | 40           | 40           | 40           | 0            | 120            |
| WB Budget               | 128          | 200          | 231          | 200          | 759            |
| <b>Sub-Total</b>        | <b>427</b>   | <b>500</b>   | <b>530</b>   | <b>460</b>   | <b>1,917</b>   |
| <b>Total</b>            |              |              |              |              |                |

**Source: METAP Secretariat**

\* WB fiscal years ending June 30.

\*\* For program costs, total is disbursements to date; for management costs, it is the budgeted amount through June 30, 2005.

\*\*\* The costs of the Finnish adviser have been arbitrarily split between program costs (implementing the project) and management costs (managing the work of others).

### **3.8 Recommendations on METAP IV**

57. Arising from the above discussion, the following recommendations are directed at enhancing the quality of METAP IV activities prior to its closing date of June 30, 2006. Additional recommendations for any further phase of METAP are given in Chapter 5.

#### **Project Level**

- Both the project preparation and capacity building themes of METAP IV would benefit from greater exchange of information at the working level between EIB and the WB on their respective METAP activities, for example, in water quality or solid waste management.
- Detailed recommendations for each of the eight major METAP IV projects are given in Annex 5. These are relatively minor, except for Project 1.1 (ICZM). For that project, it is suggested that a stocktaking be made within two months to assess the progress made with respect to the original objectives, to define a reasonable end point for the program and a work program for the remaining period, taking into account a possible extension of the Finnish assistance.
- Three additional projects listed in para. 32 should be pursued, though agreements on funding are unlikely to be finalized in time to allow work to be completed within the METAP IV time frame.
- Wherever possible, the geographic imbalance between northern and southern countries should be rectified. ICZM would be the major candidate but COED may also be a possibility.
- Recommendations for improved monitoring and evaluation of some projects are given in Annex 5.

#### **Program Level**

- The May 2004 Memorandum of Understanding between the EU, EIB and WB should be used to minimize any future problems of incompatible procedures.
- The Secretariat should prepare an annual progress report prior to each annual meeting.
- If desired by the Partners and MBCs, the Secretariat should send them a monthly email on key events.
- The METAP Coordinator needs to continue the system of strong backup, especially on administration and reporting.
- Achievements and priorities in Knowledge Management should be assessed in detail in the course of the next year, possibly leading to the design of a major new program.
- The ongoing upgrade of the website should include all METAP IV projects and useful documents. Inclusion of the most valuable older projects from previous phases should be considered.

## 4. METAP's Overall Impact and Sustainability

### 4.1 METAP's Scope and Areas of Emphasis

58. The purpose of this chapter is to make a broad brush survey of METAP's achievements since METAP I and a preliminary assessment of the value of the work. Annex 8 was prepared by the Secretariat to list most completed activities supported by METAP since its inception in 1990, classified by country and divided between Policy/Institutional and Project Preparation<sup>14</sup>. It has columns for Outputs (what was produced) and Outcomes (what impact did the activity have). The latter are understandably impressionistic, as few of the earlier projects had rigorous evaluation. Over 125 activities have been listed, though the total number may be somewhat higher<sup>15</sup>. As mentioned in Table 1, this was achieved at a cost of less than \$65 million.

59. In 1990, when METAP began, very few of the riparian countries had environmental laws or an operational environmental agency. That has completely changed over 14 years and METAP has, in many cases, supplied catalytic support at critical stages, so that now all the MBCs have not just agencies but Ministries of Environment and reasonably complete sets of basic laws. Specialized environmental staff have grown from a handful in each country to hundreds in most cases, with their capability strengthened, in many cases, by METAP-supplied training.

60. From the beginning, METAP also placed great importance on the sound preparation of environmental projects, mostly in the fields of water supply, wastewater and solid waste at the municipal level, as well as some ICZM initiatives, in line with MBC priorities. Given funding limitations, these studies were more often at the pre-feasibility level rather than full feasibility studies.

61. Until the mid-1990s, METAP was virtually the only environmental program in the Mediterranean region with significant funds for capacity building at the national level (with an emphasis on exchange of experience between countries) and for project preparation. Since that time, a number of other programs have emerged, particularly from the EU. METAP's priorities have also changed over the years, as the MBCs developed the basic tools of environmental management and moved to important issues of policy and linkages to other sectors, for example, in equipping MBCs with instruments for EIA and SEA, analyzing the cost of environmental degradation or trade impacts of environmental regulations.

62. On a more modest scale, METAP has done important work in air pollution, marine pollution, and biodiversity, though the GEF is now the instrument of choice for the last two areas. However, relatively little has been attempted in soil degradation and in water resources management. Public awareness and participation was given a big push in METAP III.

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<sup>14</sup> This is work in progress and may not be fully comprehensive.

<sup>15</sup> In particular, EIB's project preparation studies under METAP IV were not available.

## 4.2 METAP's Achievements

63. Annex 9 classifies the activities of Annex 8 by subject to assess METAP's contribution to various environmental issues of interest to the MBCs. The citing of achievements is not intended to be comprehensive<sup>16</sup> but rather illustrative. Similarly, the evaluation of impacts must be considered provisional, given the incomplete data on which it is based.

64. In project preparation, more than 35 projects have been prepared, most of which were eventually funded, resulting in an investment of over \$1 billion. For the reasons cited in paragraph 10, the bulk of the investment has been in EIB's portfolio, though joint financing from the two banks has also occurred. Although no detailed assessment of the impacts of these projects is available, most observers consider that METAP input was vital in finding cost-effective solutions and appropriate technology, as well as in resolving important project management issues.

65. In capacity building, METAP's greatest achievement may have been the series of National Environmental Action Plans (NEAPs) (sometimes called strategies), which allowed MBCs to identify their environmental problems, set priorities and develop short and medium term actions to address those priorities. Urban environmental audits fulfilled the same function at the municipal level. In many cases, additional METAP assistance led to the establishment of environmental agencies, the development of laws and regulations and the training of specialized staff (Boxes 2 and 4 trace this process for Algeria and Lebanon respectively). A good example is the EIA program - when it began in METAP III, only two or three of the MBCs had functioning EIA systems; now all do.

66. Annex 9 also identifies a few areas where METAP's performance may be questioned. Water resources management is rated by most observers, including the WB, as the most serious environmental challenge facing the arid and semi-arid MBCs. Thus it is disturbing to see only one METAP activity to date in this area, although the work on water quality management is filling a major gap. However, a number of other donor programs have supported water resources management and each of the southern MBCs is preparing a national water strategy. The review understands that policy differences, especially on cost recovery, are preventing donors like the WB from being more active. While many water resources issues can be dealt with on a country basis, many others - including international rivers and aquifers - will benefit from a trans-boundary or regional approach, which METAP could provide. Demand management is a challenge faced by most of the MBCs.

67. This review would like to reaffirm the priority given in METAP III to public awareness and participation, which are essential for good environmental management. However, the efforts were rather small and scattered and were generally not followed up either with more capacity building or with investment support<sup>17</sup>. Although a survey

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<sup>16</sup> Individual small grants, cultural heritage and tourism activities are omitted.

<sup>17</sup> However, the Secretariat points out that METAP IV has included a number of workshops for NGOs.

would be needed to determine impacts and sustainability, the impression is that these were rather modest.

### **Box 2: METAP contribution to Algerian environmental management**

Algeria has been an active METAP participant since the program began, and METAP support has covered a wide range of environmental issues. Recent work under Cost of Environmental Degradation showed that environmental damage is costing Algeria 3.6% of GDP, with a further 1.2% cost to the global environment. The total cost is second only to Egypt among the countries studied.

Earlier METAP support for the production of a National Environmental Action Plan led the government to earmark \$450 million for environmental investments. As a result of the EIA project, Algeria established an EIA unit and trained its staff. A METAP study of technological options for hazardous waste management as well as two METAP studies on health impact assessment in Northern Algeria led to two investments (one EIB and one World Bank) in industrial pollution control.

Capacity at the local level has been built through a number of projects in the municipal and ICZM fields. METAP small grant support has strengthened NGOs and improved public awareness on issues ranging from beach cleanliness to volatile organic chemicals.

Pre-feasibility studies have led to a number of WB and EIB loans, including a \$36.4 loan by IBRD for Industrial Pollution Control and \$110 million EIB loan for water supply and sewerage rehabilitation in Oran. The government will be investing in air pollution controls at a zinc smelter following a METAP diagnosis. GEF support of \$9.2 million for the El Kala protected area resulted from a METAP-financed management plan.

Algeria is currently receiving support under the ICZM, water quality, RSWMP and health care waste projects, which should allow it to consolidate previous gains in environmental protection and to move towards higher levels in the future.

## **4.3 Conclusions**

### **Policy Level**

- In policy development, METAP has scored some of its greatest successes, for example, through NEAPs in six countries: Albania, Algeria, Jordan, Lebanon, Syria and Tunisia. These activities, which featured full participation by stakeholder groups, gave MBCs the basic tools of environmental protection, leading to significant actions on national environmental priorities (Boxes 2 and 4).
- There has been a gradual shift in attention in METAP from pollution prevention and control to policy and institutional development. While this has been generally appropriate, especially in view of the availability of other financing for the typical municipal wastewater or solid waste project, some areas, like air

pollution, industrial certification and cleaner production may have been relatively neglected.

- The EIA program has been notably successful in equipping all the MBCs with the basic tools for impact assessment and mitigation. In nearly all MBCs, EIA units were established as a result of METAP support and procedures developed. Greater emphasis was given to environmental management plans.
- Newer programs to mainstream environment into sectors like trade, privatization and banking have changed, or show promise of changing, the thinking of those sectors. However, further efforts are warranted.
- The cost of Environmental Degradation is the main example of the use of economic instruments, with some important findings. A standard methodology was developed and was applied to eight countries, showing that environmental degradation costs from 2.1% to 4.8% of GDP. The results are well reported in a number of publications and are beginning to influence policy makers. A number of other instruments would also be worth studying.
- The importance of public awareness and participation in environmental decision-making cannot be overstressed. However, the review doubts whether much benefit remains from the METAP III focus in this area.

### **Legal and Institutional Development**

- METAP's pioneering work in NEAPs and institution building in at least eight countries<sup>18</sup> has substantially contributed to the development of a set of capable Ministries of Environment, which are now able to address issues like inter-sector linkages and the use of economic instruments (Lebanon is a good example, box 4).

### **Project Preparation and Investments**

- A high proportion of the METAP project preparation studies led to project financing, though more in EIB's portfolio than in the WBs.
- ICZM has been a METAP focus since inception and valuable results have been obtained. However, these may take some time to be realized, as the cases of Albania and Croatia show (Box 3).
- METAP has been less active in natural resources management, as GEF is now the donor of choice for biodiversity, as well as marine pollution. A case could be made for greater METAP participation in soil degradation in semi-arid countries and, especially, in water resources management. The priority of these issues should be further examined in preparing any further phase of METAP.

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Albania, Algeria, Bosnia and Herzegovina, Croatia, Lebanon, Morocco, Syria, and Turkey.

## **Impact on the Partners**

- In subtle ways, the experience of METAP has influenced how the Partners do business in the region. For example, for the WB and especially its MNA region, METAP has helped propel the WB from being strictly a lending institution to becoming a “knowledge bank” for its members.

68. While it is difficult to prove, the review believes based on stakeholder discussions and project evaluations that the regional dimension of METAP has added value to what otherwise would have been a disconnected set of national projects, by providing the opportunity to exchange experiences between countries.

### Box 3: Albania and Croatia: Persistence Pays Off

As part of the Federal Socialist Republic of Yugoslavia, Croatia has participated in METAP since the beginning, while Albania became eligible for assistance in 1994. Both countries have spectacular coastlines and, since moving to a market economy, both countries have experienced growing pressure on their Adriatic and Ionic coastlines from tourism.

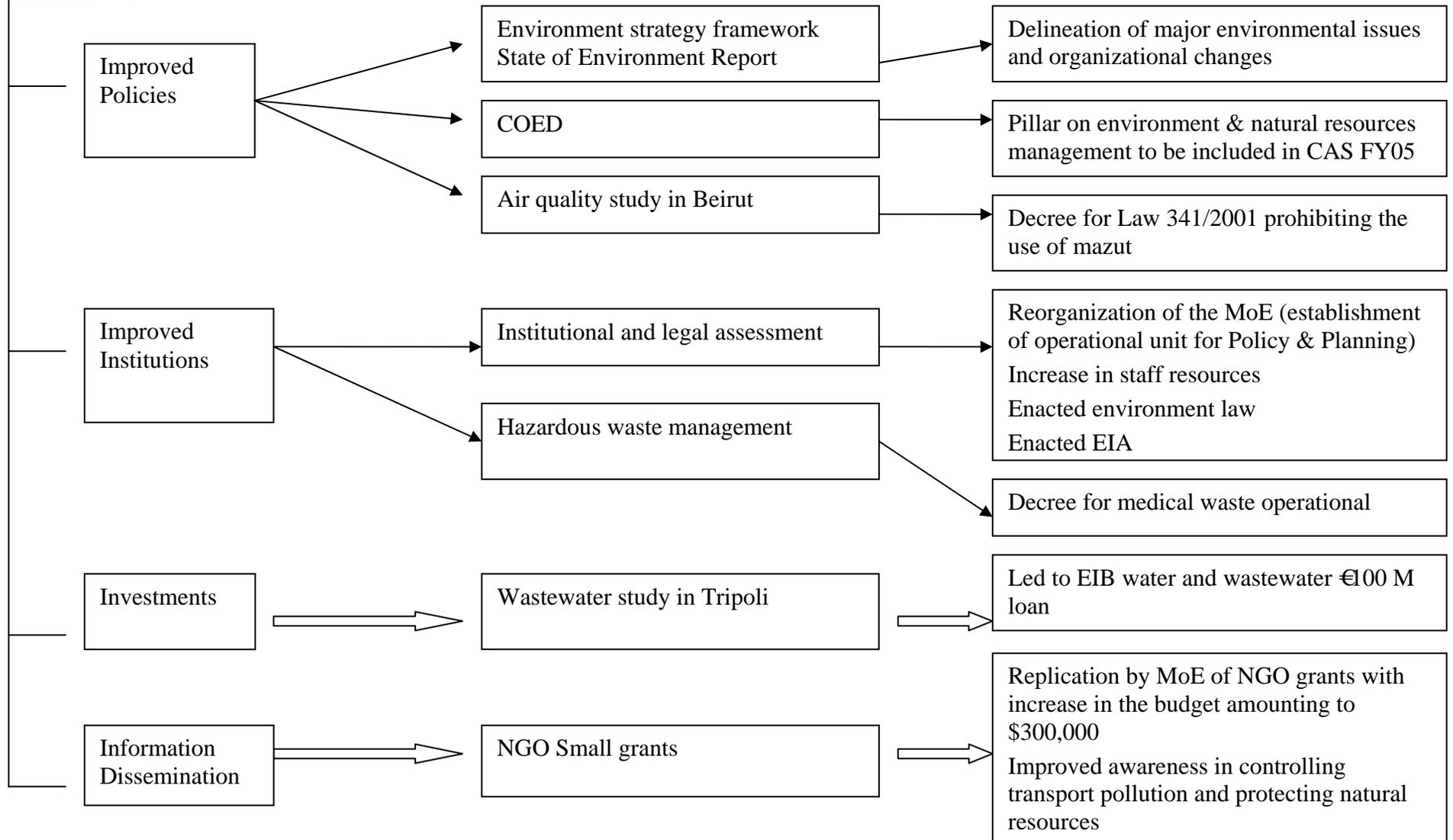
The case of Albania shows dramatically why ICZM is a priority for the Mediterranean countries. Until recently, Albania's coastal zone, which has high scenic, cultural and ecological values, was under little pressure and relatively unspoiled. With the advent of a market economy and rather loose control of land use, the quality of the coastal zone is deteriorating rapidly. Albania first requested METAP assistance in 1994 for a coastal management plan, which was completed the following year. However, economic and political instability prevented action on its findings until, in 2002, it was formally adopted by the government. However, by then, parts of the plan had been outrun by events and Albania recognized the need to update it and to move towards an implementable ICZM plan for the southern coast. Under Project 1.1, a new study has just been finished, making specific recommendations for managing the coastal zone. The study is also an input to the WB's proposed *ICZM and Clean-up Program*, slated for an IDA credit of \$13 million to support the first phase of an adaptable program credit.

Croatia's Dalmatian coast has supported intensive tourism for decades but is also feeling the effects of a market economy, with reduced attention to sound land use planning and much illegal construction. Most of the towns and villages along the coast have sewage collection systems but typically wastewater is discharged into the sea through short outfalls after little or no treatment. Given the steep topography of the sea floor along much of the coast, this has not created major water quality problems, except in semi-enclosed bays like the Kvarner Bay at Rijeka or Kastela Bay near Split. The latter was identified by MAP's Priority Action Program for special attention and METAP was requested to collaborate with PAP/RAC in identifying cost-effective solutions for the marine disposal of wastewaters from Split and three adjacent towns. Planning for a project (eventually supported by the WB with a \$36 million loan) was greatly delayed, first by the dislocations of civil war, and then by a series of objections by communities and NGOs to parts of the project design, even though the modeling studies supported by METAP had demonstrated that impacts on bathing beaches should be minimal. Public awareness campaigns were mounted and the objections were overcome. The first wastewater treatment plant for Split opened in late-2004 and is a model of its kind. Although it has less than complete primary treatment (2 mm screens remove 50% of suspended solids), it has complete odor control, a long outfall and an intensive monitoring program to alert the public to any water quality issues.

These two cases illustrate that, in the area of environmental protection, progress can be slow and it is not always possible to measure impacts in the short time frame of a project. However, as a program with a long perspective, METAP is able to follow-up on earlier studies and provide support when governments are ready to act on earlier findings. Here, rather modest funding proved to be catalytic, leading eventually to major WB investment projects.

**Box 4: Lebanon**

**LEBANON**



## 5. The Future of METAP

### 5.1 Environmental Protection Needs in the Mediterranean Region

69. Despite the progress made by all the MBCs in identifying and addressing national environmental issues and the critical support that METAP has lent to that effort, much remains to be done. For the countries of southeastern Europe and Turkey, which aspire to join the EU, the challenge is that of making rapid progress towards EU environmental standards in a cost-effective way. For the countries of the southern and eastern Mediterranean, population growth and rapid urbanization threaten to undermine the progress that has been made over the last decade. Environmental degradation is costing the economies of the latter group from 2.1 to 4.8% of GDP<sup>19</sup>. The Millennium Development Goals are still far from achievement in many countries of the region. All the MBCs, therefore, are looking for external support to meet environmental challenges. METAP is now one of several programs<sup>20</sup> able to meet these needs and the question then is: does METAP have unique qualities that would lead the Partners to extend it beyond June 2006?

### 5.2 The Case for and against METAP Continuation

70. As the previous sections have attempted to show, METAP has had considerable success over its four phases and fourteen years of implementation in helping the riparian countries to prioritize and address their environmental, natural resource management and sustainable development issues. METAP IV, with its focus on a few key issues, larger and better-funded projects, and increasing emphasis on the policy area, has been particularly successful, with seven out of eight major projects being rated Satisfactory or Highly Satisfactory<sup>21</sup>. While some implementation problems have been identified at both the project and program levels, these can be addressed fairly readily.

71. However, despite the considerable progress that the Mediterranean countries have, with the support of METAP and other programs, made in addressing environmental issues over the last decade or more, the agenda of unmet needs remains long. The MBCs are better able than in the past to prepare and implement projects to address physical problems, like water pollution or solid waste management, though they continue to need external financial assistance for this, typically through country-level programs. However, in newer areas, like ICZM, trade and environment, the use of economic instruments for environmental management, or infusing concepts of sustainable development across sectors, policies and procedures are still being developed and trained staff are few. Given

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<sup>19</sup> METAP IV, COED (Project 3.1).

<sup>20</sup> Ten southern MBCs are among a ring of countries that will benefit from the EU's new Neighborhood Policy aimed at strengthening relations in promoting reform, sustainable development and trade. A European Neighborhood Instrument will be established in 2007 to supplement assistance from other EU programs, in order to support the new policy.

<sup>21</sup> Although no comparable statistics are available for METAP III, the member of the evaluation team who also participated in the METAP III evaluation is convinced that METAP IV is likely to have a deeper and more sustainable impact than the previous phase.

that the needs of all the MBCs are often similar, the case for tackling issues such as these through a regional program is strong.

72. The Secretariat's Discussion Note of September 9, 2004 sets out two options for consideration by the Partners and MBCs<sup>22</sup>. Option 1 is to terminate METAP as now constituted, with suitable provisions for fulfilling present obligations and suggestions for possible successor programs, including a possible new WB-managed regional program for the Arab region. Option 2 would be to continue METAP, with greater emphasis at both the upstream end, with strategies, action plans and mainstreaming, and at the downstream end, with public awareness and local-level planning, implementing and monitoring. In the following paragraphs the arguments for and against continuing METAP are briefly described and a balance is drawn.

73. The MBCs are, not surprisingly, *in favor* of the continuation of METAP, as they review the benefits of the support they have received in the past (Annex 8) for policy development, institutional strengthening and project preparation. In particular, they see considerable value added, in the regional approach through which countries can learn from each other's experience. They also recognize that METAP allows them to address problems like COED or Trade and Environment, for which alternative funding is unlikely. The Partners are neutral to positive on METAP continuation and several mentioned that they wish to see this evaluation before making a decision. The development banks, EIB and WB, have been able to develop strong environmental lending portfolios in the MBCs, as a result of catalytic METAP support in project preparation. All stakeholders recognize that METAP has developed strong regional knowledge and access to decision-makers across governments and is able to tap into the WB's global expertise in many subject areas.

74. The main argument (from donors not MBCs) *against* continuing METAP is that there are other regional programs able to fulfill (at least partly) the same functions – principally MAP, SMAP and FEMIP<sup>23</sup>. MAP is long established, has a high degree of ownership among the beneficiary countries, and strong links to databases and sources of expertise. SMAP (and the several other EU instruments that operate within the Mediterranean region) is backed by potentially large amounts of grant finance, is concerned with policy issues as well as construction needs and is intended to respond to the expressed priorities of regional countries. The EU has the option of working directly with the MBCs, though bilateral donors would find it challenging to design and supervise multi-country projects of the kind that METAP has often supported. FEMIP is already operating for EIB's project preparation work under METAP IV. Some feel that METAP funding, even in phase IV, has not been generous enough to really make a substantial impact on some of the problems it addresses, though the Regional Solid Waste Management Program is a refreshing counter example. Despite attempts at

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<sup>22</sup> The Note has been endorsed by the MBCs but not yet by the Partners, who are waiting to review this evaluation.

<sup>23</sup> *Facilité Euro-Méditerranéenne pour l'Investissement et le Partenariat* (Euro-Mediterranean Facility for Investment and Partnership) – the fund managed by EIB for technical assistance in project preparation and implementation.

decentralization in METAP III and IV, METAP decision-making remains largely in Washington, which is rather remote from the region.

75. The conclusion of this evaluation is that, *on balance*, the case for continuing METAP is strong, though the program needs to evolve to meet changing circumstances. The evaluation finds that it has performed a number of roles for which other programs are not suited. Its ability to translate donor objectives and MBC needs into practical and effective programs and projects is appreciated by funders and recipients alike. The lesson that projects need a certain threshold of funding to be effective has been learnt. METAP has been, on the whole, quite cost-effective. METAP's connection to the WB adds rigor to its analysis of policies and programs and gives it ready access to a wide range of technical expertise and global knowledge, notably including environmental economics. For these reasons, the view of the evaluators is that, by working through METAP rather than directly with the MBCs, donors will have greater assurance of project quality and impact. Despite the distance of the Secretariat from the region, METAP staff have developed a wide network of contacts throughout the region, which allows new concepts to be developed in a participatory way and facilitates bridge building between Ministries of Environment and sectoral ministries.

76. The evaluation, in principle, supports Option 2 of the Secretariat's Discussion Note, including the proposed objective for a METAP V: "*to strengthen the momentum for policy reform and institution building that could contribute to economic growth and/or poverty reduction by better use of environmental assets and resources*". The decision as to whether a METAP V would also have a project preparation theme is up to EIB.

77. Most observers agree that METAP should strive to *complement* the programs of MAP and SMAP, in order for the donor community to deliver stronger packages of assistance to the MBCs. There also seems to be a consensus (supported by the Discussion Note) that METAP's decision-making can and should be further decentralized. This evaluation would add that some basic issues of governance and funding also need to be addressed, to lessen the long-standing precariousness of METAP's status. These issues are discussed below.

### **5.3 Stronger Partnerships**

78. The EU is already the dominant donor in the Mediterranean region and its importance is likely to grow even more in the future (as mentioned in para. 74, for example). However, the EU generally relies on affiliated bodies or consultants to advise it on technical aspects of policy analysis, capacity building and project design and execution. Strengthening the ties between EU programs and METAP could benefit the MBCs by combining the policy and financial strength of the EU with METAP's ability to design and implement projects and to tap the needed technical expertise. The May 2004 *Memorandum of Understanding* between the EU, EIB and WB, which pledges improved cooperation in all fields (with environmental sustainability a priority), provides an excellent starting point for eliminating the administrative bottlenecks that have impeded

METAP's cooperation with SMAP, LIFE etc. and putting cooperation on a more corporate rather than an *ad hoc* project level.

79. This review **recommends** that the forthcoming discussions between the three parties on implementing the Memorandum in the field of environment include at least the following, with respect to METAP: possible programmatic rather than project level support from EU to METAP; simplifying procedures for program and/or project support; coordination of EU instruments to allow an integrated approach for all MBCs (northern and southern) on common regional priorities; leveling the playing field between EIB and the WB and/or agreeing on an appropriate division of labor in environmental project finance; and, exploring ways for EIB to continue sharing in the benefits and costs of METAP.

80. **EIB** was a founder Partner, with the WB, of the Environmental Program for the Mediterranean, which preceded METAP in 1988-90. However, at present, EIB sees little return for its participation in METAP, as FEMIP now provides substantial funding support to its environmental lending program. EIB is proposing to continue its participation in METAP with project preparation and implementation activities funded by the FEMIP Support Fund (more than 30 million euros for the period 2003-2006 for technical assistance operations will be allocated to the environmental sector) and the newly created FEMIP Trust Fund.

81. Especially in the context of ICZM, cooperation between **MAP** and METAP has expanded during METAP IV, with more joint work planned under the proposed GEF Strategic Partnership. This suggests that the time may be ripe to formalize cooperation between MAP and METAP through a *Memorandum of Understanding* or similar device, covering a broad range of issues in addition to ICZM, for example, knowledge management, marine protected areas, and environmental emergencies. This review **recommends** discussions be initiated to explore the value of such a Memorandum.

82. The other Partners – **UNDP, Finland and Switzerland** – have been steadfast in their support of METAP over several phases and have filled important gaps in the program. New donors, like Italy and the Netherlands, are playing a growing role. METAP is, and should remain, open to expanding the Partnership.

#### **5.4 Division of Labor**

83. The above discussion suggests a fairly natural division of labor between MAP, METAP and donors, to be formalized through agreements<sup>24</sup>. Donors are looking for well prepared projects which are embedded in a well thought out policy context, with suitable legal provisions and capable institutions. MAP has long been providing part of this, through international conventions, basic environmental and socio-economic data and the like. However, a rather important gap exists, which has to a large extent been filled by METAP over the past decade. However, to avoid duplication and uncertainties, there

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<sup>24</sup> Such agreements would likely strengthen the planned GEF Strategic Partnership, providing further impetus for early action in this area.

may be value in putting some of the unspoken understandings on paper. The review **commends** a first attempt by SMAP to do this<sup>25</sup> and **recommends** that such a document be further discussed and finalized, to provide a blueprint for ensuring the complementarity of future efforts between MAP, METAP and SMAP.

## 5.5 Status of METAP

84. Though METAP is well established, it has no formal status – there is no legal agreement establishing it or defining the roles and obligations of Partners and MBCs or defining the authority of the Secretariat. When the Secretariat takes legally binding action, such as on procurement, it does so as part of the WB (which is the recipient of the CTFs which are METAP’s main source of funding). The view of the Secretariat is that all the stakeholders are reasonably happy with the present state of affairs and there is no need to change. They add that METAP was never intended to have permanent status and that the stakeholders need flexibility to adapt METAP to changing circumstances or to terminate it if it is no longer needed. On the other hand, a more formal status might make it easier to negotiate the kinds of agreements with other bodies and programs that are foreshadowed in the previous sections. Certainly, MAP staff feel that it gains strength from being derived from an international agreement that obliges the parties (riparian states) to take certain actions to protect the environment. The review **recommends** that the METAP stakeholders discuss its legal status to determine if any change is needed.

## 5.6 Programmatic Funding

85. For some years now, the METAP Secretariat has tried to convince the Partners and other donors to move towards a *structural* or *programmatic* funding approach under which the partners would agree on a program or package that they were willing to support and a cost sharing formula to determine their relative contributions, based on priorities set in close consultation with the MBCs. However, donors have generally preferred to fund specific projects that meet their own priorities<sup>26</sup>, within the agreed framework of a METAP phase, though some donors are willing to fill gaps on the advice of the Secretariat. Donors usually wish to maintain their identification with a project and to use their own procurement rules and follow their own geographical preferences.

86. The review recognizes that major changes on this issue are unlikely but **urges** the parties to discuss the issue and look for intermediate solutions, such as a commitment from a major donor to fund one pillar of a future program.

87. Programmatic support does occur in the case of the funding of the Secretariat, although this is the result of a series of *ad hoc* decisions, rather than agreement on percentage shares for a Secretariat of agreed size and composition. Here the review **recommends** that, at the outset of any METAP V, the Partners make a multi-year

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<sup>25</sup> “Discussion Paper: Improving Synergies amongst Regional Processes”. Agenda Item No. 5, 5<sup>th</sup> Meeting of the SMAP Correspondents, Brussels, 1-2 April, 2003.

<sup>26</sup> It might be argued that this preference might change if METAP had a more formal status.

commitment on the basis of a cost-sharing formula that is not directly linked to donor support of projects within the program.

## **5.7 Scope, Size and Composition of METAP V**

88. The review **recommends** that a structured, consultative process be designed over the final year of METAP IV to agree on METAP V priorities, coalescing the interests of Partners and MBCs. This is needed to avoid, on the one hand, any feeling that priorities are being supply-driven by the donors or, on the other, that expectations of support in the MBCs are raised to unrealistic levels (as may have happened in the formulation of METAP III). A possible methodology for this is set out in Annex 6. The following paragraphs represent the views of the evaluation team and are intended as an input to, but not a substitute for, that consultative process.

89. Annex 5 includes some notes on the need for follow-up for each of the major METAP IV projects. Briefly, these are:

- **Water Quality.** The first priority is to complete the funding of the present modest project. Then, attention should be given to a broader approach to water resources management, possibly with a focus on demand management, in close consultation with other major donors in this field.
- **ICZM.** Further assistance in this area will undoubtedly be needed and the remaining part of the present project should be used to define priorities. Follow up work should focus on practical steps to develop programs and projects in participating countries.
- **RSWMP.** The review feels that some support will be needed to establish and maintain the Regional Centre of Expertise, able to respond to the expressed needs of the MBCs.
- **COED.** Deepening of the analyses already performed and extension to other MBCs would be very appropriate, as would efforts to disseminate further the results to date.
- **EIA.** Modest efforts may be needed to maintain the role of CITET as a regional center of excellence, without a major regional program.
- **Trade and Environment.** Following a stocktaking of work to date and METAP and other programs, possibly with WTO involvement, there may well be a case for a major new activity.
- **Knowledge Management.** As indicated, a stocktaking exercise over the next year could identify an important new project, to follow Project 4.2. Partnership with MAP might be explored.

90. **New Topics:** A number of good suggestions were made at the September 2004 annual meeting and to the review team. Among the most interesting may be:

- Impacts of global climate change and means of prevention (to the extent that this is not covered by GEF)
- Renewable energy
- Emissions and carbon trading
- Cleaner production and ISO certification
- Management of arid lands
- Disseminating concepts of sustainable development within governments
- Improving enforcement at the local level
- Use of economic and financial instruments
- Enhancing the role of the private sector (possibly as a cross-cutting theme)

91. The evaluation supports a high degree of selectivity in the design of any new program and, subject to further discussion with stakeholders, generally supports the selection criteria set out in para. 21 of the Discussion Note.

92. **Structure:** The pillar concept has worked well and should be retained. That underlines the need for a high degree of selectivity among potential topics, to meet likely financial constraints and to ensure efficient management. If funding support were sufficient, the number of pillars – and hence the number of regional institutions that could become centers of excellence – could be expanded.

93. **Size:** The environmental needs of the MBCs remain large and they have made ambitious commitments at the Rio Summit and elsewhere, especially in the context of north-south solidarity. Nevertheless, the resources of donors are limited and it will be important to keep expectations at realistic levels as the planning process moves forward. Nevertheless, it would be unreasonable to assemble a meaningful program at anything less than the METAP IV level of expenditure (which was markedly less than METAP III). Allowing for inflation, this implies a minimum size of about \$15 million for capacity building alone. This could probably increase to \$25 or 30 million without straining the management system unduly. The evaluation team feels that the proposal in the Secretariat's Discussion Note to launch METAP V with commitments of only \$5 to 8 million might not serve the MBCs well and would make the fairly high overhead costs (para. 49) hard to justify.

94. **Financing:** The review supports the proposal in para. 25 of the Discussion Note to try to diversify sources of funding for METAP V, for example, from additional bilateral donors, GEF, Carbon Fund, or WTO. In particular, the review team's discussions with MBCs suggest that modest country contributions (for example, to the cost of the Secretariat) should not be ruled out.

## 5.8 Geographical Balance

95. When METAP began, all the riparian Mediterranean countries were treated on an equal basis and regional programs were designed to cover as many countries as wished to participate. At that time, all the MBCs were generally in the same Region or Bureau from a donor perspective. That has changed considerably. The WB divided its environment division, which also housed the METAP Secretariat, into units for its ECA and MNA regions, with the latter managing METAP. ECA region initially gave financial support but that ceased a few years ago. UNDP made similar changes. For the EU, most of the Balkan countries and Turkey are now at some stage of EU accession and qualify for special programs of assistance; while other programs like SMAP have been designed to benefit the southern and Eastern MBCs.

96. Whether intended or not, the impact on METAP has been to skew its assistance greatly to the southern and eastern countries, which have received probably 90% of METAP IV support. The main exception was the ICZM project<sup>27</sup> but the current phase of that is also limited to the south. While one could argue that the Balkan countries and Turkey are privileged in receiving considerable technical assistance in environment, especially from the EU, that does not compensate for their absence in the cross-country analysis of shared problems that is at the core of METAP. It also does not reflect the fact that some of these countries, like Albania or Bosnia-Herzegovina, are among the least developed in the region.

97. This review **recommends** that, in the design of any METAP V (and also in allocating remaining METAP IV resources), a vigorous effort be made to overcome bureaucratic obstacles and ensure that the program has a reasonable balance between sub-regions. It also **recommends** that the Republic of Montenegro (or Serbia and Montenegro, if necessary), be declared a METAP beneficiary.

## 5.9 Options for METAP Governance and Management

98. The evaluation team heard a wide range of views from Partners and MBCs as to how a future phase of METAP should be managed and feels that decision-making on that subject should be the preserve of the stakeholders, after extensive informed discussion. Accordingly, the review does not make any recommendations in this area or any judgments as to the realism of any scenario but has attempted to set out some options or alternative scenarios for consideration by the stakeholders. These are summarized in Table 5, together with a few of the most obvious arguments for and against; these could be probably be expanded or supplemented during the discussion. The following explanatory notes are offered.

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<sup>27</sup> The proposed GEF Strategic Partnership for the Mediterranean (para. 81) would also redress the imbalance, as it would operate in all the MBCs, plus Montenegro, Macedonia and Bulgaria.

## Scenarios:

1. *Business as usual.* Under this scenario, the systems developed for METAP IV would be continued for the next phase. In other words, there would be a relatively large Secretariat in Washington handling all procurement and program oversight, although day-to-day management of particular projects might be delegated to a regional institution (as was the case with RSWMP or Trade and Environment).
2. *Full umbrella concept.* This was the model proposed for METAP IV in the PCD, under which a qualified regional institution would have umbrella powers to manage each Pillar, with major procurement still being handled by a small Secretariat in Washington. For the reasons set out in para. 43, this was only partially achieved. This scenario would represent a modest evolution of Scenario 1.
3. *Regional Secretariat with limited powers.* This is the option set out in the Secretariat's Discussion Note of September 2004. It differs from Scenario 2 in that a single regional institution, rather than three or four, would be responsible for day-to-day management of METAP. Major procurement decisions and donor negotiations would still be carried out by the WB.
4. *Regional Secretariat affiliated with MAP.* This could, in effect, merge METAP with MAP. METAP could be sited with one of the RACs or it might be free-standing at a separate location. Unless otherwise agreed, this would put METAP under UNEP's system of administration.
5. *Regional Secretariat with full powers.* In essence, this scenario would recreate METAP as a free-standing regional institution, governed largely by the MBCs, with a Secretariat with full decision-making powers located in the region, at a qualified institution. This would present formidable legal and organizational challenges and Annex 7 lays out a possible scenario for dealing with these.
6. *EU/ WB Joint Office.* This scenario would be modeled on the Joint Office for South East Europe, established in 1999 to streamline assistance to the Balkan region<sup>28</sup>. In essence, it would transfer the present Secretariat to Brussels (or, possibly, Marseilles, where the WB now has a small office).

**Decision-maker:** This refers to who has responsibility for major decisions like procurement of consultants' services.

**Location:** This is the location of the Secretariat and/or other decision-making bodies.

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<sup>28</sup> Information on the Joint Office can be found at [www.seerecon.org](http://www.seerecon.org).

**Program Quality and Credibility:** Any consideration of major changes in institutional responsibility would need to address two issues:

**Program Quality.** To attain the level of program management that Partners have come to expect from the present Secretariat, the technical, financial and managerial capacity of the institution to manage the METAP program would need to be built up.

**Credibility.** Partners and other donors to METAP would need to have full confidence in the integrity and capability of the selected institution before they would be willing to commit significant blocks of funds.

99. These issues are of special relevance for the most radical option – Scenario 5.

### **5.10 Role of the National Focal Points**

100. At present, NFPs vary considerably in their length of experience, the proportion of time they are able to devote to METAP and their ability to influence decisions. Their main roles at present are as channels of communications upward and downward and as facilitators of METAP activities within their countries. Ideally, they could play a more pro-active role in identifying and prioritizing national needs and in disseminating and mainstreaming METAP findings to governments, academia, NGOs and the public. They could even play a role in impact evaluation. To undertake an expanded role, NFPs would need to have full-time appointments and to have small budgets for field work, meetings etc. (as GEF focal points do). Some countries may wish to have more than one NFP, with a clear division of labor. In any case, a more formal job description – varying from country to country – would be warranted.

### **5.11 Monitoring and Evaluation**

101. In the design of any further phase of METAP, the review **recommends** that close attention be given to ensuring that each project and the program as a whole has clear, monitorable performance indicators. An evaluation of project performance and impacts **should be** built in for every case; for larger projects (say, over \$1 million), such evaluation should be by independent experts.

### **5.12 Conclusions**

102. The evaluation of METAP IV leads to three main conclusions:

1. METAP IV was well designed and is being well implemented. Project quality is very good and expected project outcomes are very positive. Some problems identified can be readily dealt with.

2. Over its four phases, METAP has been notably successful and has contributed significantly to the progress made over the last 14 years by the Mediterranean countries towards environmental protection.
3. Despite this progress, many environmental challenges remain and the Mediterranean countries deserve the support of the international community in addressing them. Continuation of METAP could make a valuable contribution to this objective. The review makes a number of recommendations for defining the scope of and management system for a METAP V, as well as on strengthening partnerships, funding and geographic balance.

**Table 5: Management Options for METAP V**

| Scenario |  | Decision-maker | Location                   | Program Quality | Credibility | Arguments for   | Arguments against  |
|----------|--|----------------|----------------------------|-----------------|-------------|---|--|
| 1        | Business as usual                        | WB             | Washington                 | Yes             | Yes         | <ul style="list-style-type: none"> <li>• System working well and well understood by all stakeholders.</li> <li>• Secretariat can call on substantial technical expertise from rest of WB, including legal, procurement, and disbursement.</li> </ul>  | <ul style="list-style-type: none"> <li>• Highly centralized management no longer needed.</li> <li>• Distance from the region hampers consultation.</li> <li>• MBCs wish to have more ownership of METAP.</li> </ul>  |
| 2        | Full umbrella concept                    | WB             | Washington/<br>several Tbd | Partial         | Partial     | <ul style="list-style-type: none"> <li>• Would balance decision-making between Washington and region.</li> <li>• Single regional center responsible for a Pillar would streamline administration.</li> <li>• Regional centers would become recognized centers of expertise.</li> <li>• If funding allows the program to expand in size, additional pillars could give more countries the chance to manage pillars.</li> </ul> | <ul style="list-style-type: none"> <li>• Major decisions still with WB.</li> <li>• Several regional centers would require capacity building.</li> <li>• Selection of centers on a competitive basis, would be difficult to manage and could provoke dissension.</li> <li>• Possible concerns from countries without a center.</li> </ul> |
| 3        | Regional Secretariat with limited powers | WB             | Tbd                        | Partial         | Partial     | <ul style="list-style-type: none"> <li>• Would balance decision-making between Washington and region.</li> </ul>  | <ul style="list-style-type: none"> <li>• Major decisions still with WB.</li> <li>• Selection of Secretariat site would be difficult.</li> </ul>  |

|   |  |               |     |     |     |  |   |
|---|--|---------------|-----|-----|-----|--|---|
|   |  |               |     |     |     | <ul style="list-style-type: none"> <li>• Regional Secretariat responsible for METAP would streamline administration and lower costs.</li> <li>• Pillar management could also be delegated as in Scenario 2.</li> </ul>                 | <ul style="list-style-type: none"> <li>• Selected institution would require substantial capacity building.</li> <li>• Same pillar management issues as Scenario 2.</li> </ul>   |
| 4 | Regional Secretariat affiliated with MAP | UNEP/ MAP/ WB | Tbd | Tbe | Tbe | <ul style="list-style-type: none"> <li>• Would enhance cooperation between MAP and METAP.</li> <li>• Synergy between programs could be enhanced.</li> <li>• Secretariat could follow UNEP “rules”.</li> </ul>                          | <ul style="list-style-type: none"> <li>• Existing RACs do not have full range of experience for proposed program.</li> <li>• METAP could lose its identity.</li> <li>• UNEP rules could limit flexibility.</li> </ul>   |
| 5 | Regional Secretariat with full powers    | MBCs          | Tbd | Tbe | Tbe | <ul style="list-style-type: none"> <li>• Would put MBCs firmly in charge of METAP.</li> <li>• METAP would be on an equal basis to MAP and other regional institutions.</li> <li>• Work program would be beneficiary driven.</li> </ul> | <ul style="list-style-type: none"> <li>• Establishing technical capacity and credibility would be a major challenge (Annex 7).</li> <li>• Achieving MBC consensus on site and powers of Secretariat could be difficult.</li> <li>• Time to establish Secretariat could extend beyond METAP V.</li> <li>• WB and other Partner support may diminish for an independent METAP.</li> </ul> |

|   |                    |        |                        |     |     |  |   |
|---|--------------------|--------|------------------------|-----|-----|--|---|
|   |                    |        |                        |     |     |  | <ul style="list-style-type: none"> <li>• MBCs may be unwilling to contribute financially.</li> <li>• METAP might be seen as a duplicate of MAP.</li> </ul>  |
| 6 | EU/WB Joint Office | EU/ WB | Brussels or Marseilles | Yes | Yes | <ul style="list-style-type: none"> <li>• Model for the Balkan region already exists.</li> <li>• Would link two major Partners more closely and possibly streamline provision of EU assistance.</li> <li>• Reasonably close to the region.</li> </ul> | <ul style="list-style-type: none"> <li>• Costs would be relatively high.</li> <li>• Other Partners and MBCs may feel excluded from decision-making.</li> <li>• Would not address MBC ownership question.</li> </ul> |

Tbd = to be determined. Tbe = to be established.