

THE WORLD BANK INDEPENDENT EVALUATION GROUP**An Independent Evaluation of the World Bank's
Support of Regional Programs****Case Study of the Mediterranean Environmental
Technical Assistance Program****Deepa Chakrapani**

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Acronyms

CAS	Country Assistance Strategy
COED	Cost of Environmental Degradation
ECA	Eastern Europe and Central Africa
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EPM	Environmental Program for the Mediterranean
EU	European Union
GEF	Global Environmental Facility
ICZM	Integrated Coastal Zone Management
IEG	Independent Evaluation Group
LIFE	L'Instrument Financier pour l'Environnement (of the EU)
MAP	Mediterranean Action Plan
METAP	Mediterranean Environmental Technical Assistance Program
MNA	Middle East and North Africa
MOU	Memorandum of Understanding
MRF	Mediterranean Regional Facility
NEAP	National Environmental Action Plan
OECD	Organization for Economic Cooperation and Development
SGF	Small Grants Facility
SMAP	Short and Medium-term Action Plan (of the EU)
TA	Technical Assistance
UNDP	United Nations Development Program

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Preface

EVALUATION OBJECTIVES AND METHODOLOGY

This review of the Mediterranean Environmental Technical Assistance Program (METAP) is one of 19 reviews undertaken for an evaluation by the Independent Evaluation Group (IEG) of the effectiveness of World Bank support for multi-country regional programs over the period FY95-05. Twelve of the reviews, including this assessment are desk reviews; the other seven are in-depth field studies.

Though METAP was initiated in 1990, this review primarily focuses on phases III and IV that cover the period 1996-2005. All reviews draw on core program documentation as well as program progress reports, existing program evaluations, related Bank country assistance strategies (CAS) and sector strategies, and interviews with key Bank staff. This review relies largely on evaluations commissioned by the World Bank METAP Secretariat, on behalf of program donors, at the end of phases III and IV on the capacity building aspects of the program. The Secretariat was responsible for drafting the terms of reference for the evaluations and recruiting consultants, subject to approval by the partners. The evaluations were undertaken by external consultants and benefited from discussions with member countries and donor partners. In addition, the review relies on interviews with program staff in the METAP World Bank Secretariat. See Annex A for references and persons consulted.

EVALUATION CRITERIA

The reviews use the IEG evaluation criteria of relevance, efficacy, and efficiency. In addition, they assess the Bank's performance and examine the performance of the regional program's participating countries. The key evaluative questions addressed—which are designed to deal with the special characters of multi-country programs—are as follows:

Relevance

- **Subsidiarity:** To what extent is the program being addressed at the lowest level effective, and complements, substitutes for, or competes with Bank country or global programs?
- **Alignment:** To what extent does the program arise out of a regional consensus, formal or informal, concerning the main regional challenges in the sector and the need for collective action? To what extent is it consistent with the strategies and priorities of the region/sub-region, countries, and the Bank?
- **Design of the regional program:** To what extent is program design technically sound, and to what extent does it take account of different levels of development and interests of participating countries, foster the confidence and trust among participants necessary for program implementation, and have clear and monitorable objectives?

Efficacy

- **Achievement of objectives:** To what extent has the program achieved, or is it likely to achieve, its stated objectives, including its intended distribution of benefits and costs among participating countries?
- **Capacity building:** To what extent has the program contributed to building capacities at the regional and/or participating country levels?
- **Risk to outcomes and impact:** To what extent are the outcomes and impacts of the program likely to be resilient to risk over time? To what extent have the risks to project outcomes been identified and measures to integrate them been undertaken?
- **Monitoring and Evaluation:** Has the program incorporated adequate monitoring and evaluation processes and taken care of available findings?

Efficiency

- **Efficient use of resources:** To what extent has the program realized, or is it expected to realize, benefits by using a reasonable levels of time and money?
- **Governance, management, and legitimacy:** To what extent have the governance and management arrangements clearly defined key roles and responsibilities; fostered effective exercise of voice by program participants and coordination among donors; contributed to or impeded program implementation and achievement of its objectives; and entailed adequate monitoring of program performance and evaluation of results?
- **Financing:** To what extent have financing arrangements affected positively or negatively the strategic direction, outcomes, and sustainability of the program?

World Bank's Performance

- **Comparative advantage and coordination:** To what extent has the Bank exercised its comparative advantage in relation to other parties in the project and worked to harmonize its support with other donors?
- **Quality of support and oversight:** To what extent has the Bank provided adequate strategic and technical support to the program, established relevant linkages between the program and Bank country operations, developed an appropriate disengagement strategy, and exercised sufficient oversight of its engagement?
- **Structures and Incentives:** To what extent have Bank policies, processes, and procedures contributed to, or impeded, the success of the program?

Participating Countries' Performance

- **Commitments and/or capacities of participating countries:** How have the commitments and/or capacities of participating countries contributed to or impeded the success of the program? Have one or more countries exercised a leadership role?
- **Program coordination within countries:** To what extent have there been adequate linkages between the regional program's county level activities and related national activities?

Executive Summary

Background

1. A series of reports prepared jointly by the European Investment Bank (EIB) and World Bank in 1988 highlighted the environmental degradation and high levels of pollution in the Mediterranean Sea. Seventy percent of urban waste water poured into the Sea was untreated, and in southern rim countries, this was about 90 percent. The reason identified was the lack of environmental awareness, and policies and procedures in surrounding coastal countries. Despite improvements in environmental legislation, even in 2001, the costs of the environmental damage to the Mediterranean countries was estimated to be 6-9 percent of their Gross Domestic Product, compared to 2-3 percent in OECD countries, and 5 percent in Eastern Europe.

Program Summary Description

2. The Mediterranean Environmental Technical Assistance Program (METAP) was initiated jointly by the World Bank and the European Investment Bank (EIB) in 1990 as an informal partnership between four donor partners and fourteen countries bordering the Mediterranean Sea. It aimed to reduce environmental degradation in the coastal countries by providing technical assistance (TA) for two purposes: (a) to generate investments by providing project preparation support in selected environmental areas, and (b) to build capacity at the national and regional levels.

3. The EIB Secretariat operates from its headquarters in Luxemburg. It provides and manages TA for project preparation, for subsequent EIB investments the region. The World Bank METAP Secretariat, located at the World Bank headquarters in Washington, D.C. manages the program's TA for regional and national level capacity building. The World Bank Secretariat is responsible for mobilizing and managing resources of all METAP donor partners except the EIB, and planning and implementing program activities in member countries.

Rationale for the Regional Program

4. The objectives of METAP are relevant for the member countries bordering the Mediterranean Sea. Governments and donor partners acknowledge that dealing with the high levels of pollution in the Sea requires a regional approach. Thus, the aim of the METAP program was to develop a common approach to dealing with environmental issues in the countries bordering the Mediterranean. The program's areas of support have evolved over time to reflect member country contexts and priorities. Its activities are also consistent with the Bank's assistance strategies for the environment at the regional and country levels.

Quality of Design and Implementation

5. The program has three positive design features: (a) it involves all relevant countries bordering the Mediterranean Sea; (b) it seeks to combine technical assistance

for investment with related capacity building at the national and regional levels; and (c) the technical scope and design of individual capacity building activities are sound. Nevertheless, there are three main shortcomings:

- *Limited country participation in program governance and implementation:* There is limited country ownership for the program's activities. Country counterparts are not directly involved in implementation of program activities and do not participate with donors in decisions on funding allocations for support of activities.
- *Weak coordination between the EIB and the World Bank:* Successive program evaluations have found little coordination of program activities between the EIB and the World Bank, despite periodic consultations between them. There is little evidence on the extent to which the activities by the two donors complement each other.
- *Inefficient financing arrangements:* There is no prior commitment or pledge of funds from individual donors. Donors make financing decisions based on specific project proposals prepared by the Secretariat. The Secretariat has to thus approach all donors on each project individually, and this creates uncertainty in planning implementation of program activities.

Program Achievements

6. The program has been successful in implementing both its capacity building and project preparation activities:

- METAP's project preparation activities over the last ten years have generated more than 50 projects and \$1 billion in investments.
- The program's *national* capacity building activities were more successful in the last five years (METAP IV) than during the previous five years (METAP III). METAP III transferred the program management responsibilities to a multi-donor Mediterranean Regional Facility (MRF) in Cairo, in order to coordinate the program's activities with other important sources of donor funds—the United Nations Development Program or UNDP's Capacity 21 Initiative and the Euro-Mediterranean Partnership. But the program's *national* and local capacity building activities, managed by UNDP, failed to live up to partner and country expectations. The high overhead costs of the MRF made it unviable. In contrast, METAP IV's national capacity building were effective, with about six resulting in significant policy changes on country environmental plans.
- METAP's *regional* capacity building activities, such as the regional networks, though beneficial to countries, have relied on external support for continued operations. There is also no mechanism for regular, on-going cross-country knowledge sharing between countries, and a planned knowledge management system was not developed.

7. Though countries choose to participate in specific program activities, their responsibility for implementation of specific activities is limited. Thus the outcome and sustainability of program activities are dependent on the extent to which countries choose

to take follow-up measures, and can thus vary across programs and across participating countries. The program's capacity building support has largely favored the southern and eastern rim countries of the Mediterranean, with Turkey and the Balkans receiving relatively less program support.

Effectiveness of World Bank Performance

8. The Bank's exercise of its multiple roles in the program—convener, funder, Secretariat manager, and technical adviser—has been largely effective. The METAP IV evaluation notes that the Bank's management of the capacity building activities was a key factor in sustaining the program over the last 15 years, and that the Bank's technical advice on program activities has been valued by member countries and donor partners. Still, in its capacity as program manager, the Bank was unable to convince donor partners to structure governance and implementation arrangements in ways that would enhance prospects for country ownership and sustainability.

9. Further, the relative importance of the program's financial and technical support has declined over time. There is increased donor interest on environmental issues in the Mediterranean and substantial grant financing, particularly from the European Union. Secretariat staff notes that the program is planning to prepare a disengagement strategy in the course of METAP V.

1. Introduction

REGIONAL CHALLENGES

1.1 Environmental degradation of the Mediterranean Sea was a well-recognized problem in the late 1980s and early 1990s. An estimated 70 percent of urban waste water in the Mediterranean basin was poured into the sea untreated. In southern rim countries, this was about 90 percent. The quality of water in 20 out of 29 river drainage basins was polluted, and almost 550 tons of pesticides were washed into the sea annually. As a result, fish stocks were reduced to 20 percent of natural levels in some areas. Even as late as 2001, despite improvements in environmental legislation and policy, environmental damage was estimated to be about 6-9 percent of Gross Domestic Product of the Mediterranean basin countries, compared to 2-3 percent in OECD countries and 5 percent in Eastern Europe.¹

Figure 1.1: Map of METAP Countries²



1.2 A series of reports prepared jointly by the European Investment Bank (EIB) and World Bank in 1988, under the Environmental Program for the Mediterranean (EPM) highlighting high levels of pollution in the Mediterranean Sea, viewed this as a symptom of inadequate environmental awareness, policies, and procedures in surrounding coastal countries. The studies noted that countries would need substantial investment, as well as a “coherent program of technical assistance in priority setting, institutional strengthening and project preparation.”³ METAP, was thus launched in 1990 by the EIB and the World Bank, directly in response to issues raised by the EPM reports, as a partnership between

¹ “METAP 2001 and Beyond: A Renewal of Environmental Support for the Mediterranean Countries,” Program Concept Document, 2001, p.i.

² World Bank, “15 Years of Regional Cooperation with the Middle East and North Africa Countries,” Power Point Presentation, July 2005.

³ Ibid 1.

four donors (the World Bank, European Union, European Investment Bank and UNDP) and fourteen Mediterranean countries.⁴ It aimed to provide technical assistance for project preparation and capacity building and thereby reduce the effects of environmental degradation in member states (Figure 1.1).

REGIONAL PROGRAM SUMMARY DESCRIPTION

1.3 METAP is an informal, multi-agency, multi-year regional program that provides technical assistance (TA) to countries bordering the Mediterranean Sea for two purposes:

- **Generate investments:** Aid preparation of investments projects related to the environment in selected areas or “pillars” of support (such as water, wastewater, municipal solid waste, biodiversity); and
- **Build capacity at national and regional levels:** Build *national* for policy development, project preparation, training, institutional strengthening, and local empowerment, and strengthen *regional capacity* through development of policy tools, and improved knowledge sharing and regional networks.

Box 1.1: METAP Objectives Fine-Tuned But Consistent Since Inception

The objective of **METAP I**, as defined at its inception in 1990 was threefold: (a) “strengthen institutional capacity required to manage environmental issues, (b) prepare a portfolio of priority environmental projects to accelerate and catalyze investments in environmental activities in the region; and (c) formulate a set of focused key policy factors affecting the Mediterranean environment.”⁵

These objectives also served **METAP II** (1993-96). The objectives of **METAP III** (1996-2000) and **METAP IV** (2001-05), the focus of this review, were also consistent with the original objectives. But METAP III and IV emphasized building ownership among participating countries, regional networking, and knowledge sharing, and focused on emerging environmental issues such as environment and trade. In addition, METAP IV aimed to address underlying causes for specific institutional and policy reforms.

METAP III aimed to “*Play a catalytic role in: (a) identifying and developing environmental investments; (b) contributing towards human resource development and capacity building needed to support and promote environmental sustainable development; and (c) creating effective regional networks that contribute to generating ownership and knowledge sharing*.”⁶ METAP IV aimed to “*Assist beneficiary countries in project preparation and strengthen their capacity in selected regional environmental management initiatives.*”⁷

⁴ Albania, Algeria, Bosnia and Herzegovina, Croatia, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey, and West Bank and Gaza. Cyprus and Slovenia also received program support.

⁵ METAP IV Evaluation, Exec Summary. Page 1.

⁶ Evaluation of METAP III. November 2000. Page 1.

⁷ Ibid 5.

The most recent phase, METAP V (2006-10), approved by partners and member countries in November 2005 aims to strengthen momentum for policy reform and institution building for environment sustainability by assisting METAP countries to better use their environmental assets and resources.⁸

1.4 METAP has gone through five distinct funding phases since 1990. Though there has been some fine-tuning of objectives during the review period (see Box 1.1), the program's objectives have not changed. Beginning in METAP II, the program defined thematic priorities for support, called pillars, in each funding cycle (see Table 1.1).

Table 1.1: Priorities for METAP Support

Phases	Pillars of Support	Cross Cutting Themes
<i>Phase I</i> 1990-93	<ul style="list-style-type: none"> • Integrated water resource management • Solid, hazardous waste management • Chemical pollution • Coastal zone management 	<ul style="list-style-type: none"> • None specified
<i>Phase II</i> 1993-96	<ul style="list-style-type: none"> • Water resource management • Urban environmental management • Capacity building 	<ul style="list-style-type: none"> • None specified
<i>Phase III</i> 1996-2001	<ul style="list-style-type: none"> • Integrated water and coastal zone management • Pollution hot spots • Capacity building 	<ul style="list-style-type: none"> • None specified
<i>Phase IV</i> 2001-05	<ul style="list-style-type: none"> • Water quality, waste water management • Solid hazardous waste management • Legislation, policy implementation tools 	<ul style="list-style-type: none"> • Local capacity • Regional knowledge management
<i>Phase V</i> ⁹ 2006-10	<ul style="list-style-type: none"> • Water quality • Integrated coastal zone management (ICZM) • Solid/hazardous waste management • Policy tools for environmental integration • Carbon finance business outreach. 	<ul style="list-style-type: none"> • Knowledge management • Private sector development

Source: World Bank, "15 Years of Regional Cooperation with the Middle East and North Africa Countries," PowerPoint Presentation, July 2005.

1.5 The EIB and the World Bank are responsible for managing the two parts of the program. The EIB provides and manages technical assistance grants in support of project preparation, for subsequent EIB investments the region. It operates from its headquarters in Luxemburg. The World Bank METAP Secretariat (henceforth, METAP Secretariat) is located at the World Bank headquarters in Washington, D.C and manages the program's technical assistance in support of regional and national level capacity building. It is responsible for: (a) mobilizing and managing the resources of all METAP donor partners, with the exception of the EIB, including preparing indicative work plans and specific project proposals, and (b) implementing program activities in member countries. This

⁸ Interviews with Secretariat Staff.

⁹ In METAP IV, the program delineated the pillars of support for capacity building activities alone.

division of responsibility has been operational since 1990 and the arrangement continues for METAP V.

1.6 METAP has no formal charter that binds donor partners and countries. There is no formal commitment of funds from donors and donor partners can choose to channel their technical assistance for environment outside of the program. The METAP Secretariat prepares the work program and set priority areas for support, in consultation with the country counterparts and donor partners. Donor partners then finance individual projects, based on specific proposals prepared by the METAP Secretariat.

1.7 In all, donors provided about \$60 million in grant funding during the first three phases of METAP. In METAP IV, donors provided some \$12 million towards the program's capacity building activities (there was no information available on EIB support in phase IV). The EU was the largest financier in METAP I, II, and IV, and the World Bank provided the largest amount of total funds in METAP III (see Table 1.2).

Table 1.2: METAP Financing (amounts in US\$ millions)

Phases (Period)	Project Preparation	Capacity Building	Other incl. Admin Costs	Total
<i>Phase I: 1990-93</i>	7.0	5.7	1.09	13.82
<i>Phase II: 1993-96</i>	8.9	7.4	1.78	18.00
<i>Phase III: 1996-2001</i>	12.8	17.0	-	29.80
<i>Phase IV: 2001-05</i>	n.a.	12.44	n.a.	12.44
<i>Phase V: 2006-10 budget</i>	-	22.00	n.a.	22.00

Source: Collated from METAP II program document, and evaluations for Phases II, III, and IV.

2. Relevance: Rationale, Alignment, and Design

2.1 The objectives of METAP are relevant for the member countries bordering the Mediterranean Sea. Promoting the regional public good of reducing pollution in the Mediterranean Sea requires coordinated actions by all countries, and thus, warrants a regional approach. METAP's priority areas for support as well as its individual technical assistance activities have evolved over time to remain aligned to countries' changing contexts and priorities. Its activities are also consistent with the Bank's assistance strategies for the environment at the regional and country levels. Though countries are actively involved identifying focus areas for program support and endorse its work program, there is limited country participation in program implementation and governance. The program's objectives are also not supported by relevant performance indicators that link activities to intended outcomes.

SUBSIDIARITY PRINCIPLE

2.2 METAP adheres to the principle of subsidiarity which states that a program should be organized and carried out at the lowest level effective. The Mediterranean Sea is a shared regional resource, and the 1988 EPM reports on the condition of the Sea noted that high levels of pollution were a symptom of the lack of environmental awareness, policies, and programs in most states bordering the Sea. The reports also noted that a regional approach, with relevant actions by all countries bordering the Sea was necessary to reduce the high levels of pollution in the Sea. Thus, the aim of METAP was to develop a common approach to dealing with environmental issues in the countries bordering the Mediterranean Sea.

ALIGNMENT WITH COUNTRY, REGIONAL, AND BANK GOALS AND STRATEGIES

2.3 In the early 1990s, when METAP was created, there was relatively little emphasis on environmental issues in member countries. Many member countries did not have an environment ministry, and laws protecting the environment were non-existent or weak. Though the program was thus not aligned to country strategies at the time, METAP aimed to help beneficiary countries to set environmental priorities, develop and strengthen institutions, and prepare investment projects. Since then, all member countries have "made substantial progress in placing environment on the political and economic agenda."¹⁰ Countries have established Ministries of Environment and enacted National Environmental Action Plans (NEAPs), some with the support of the METAP. NEAPs also highlight specific areas where subsequent METAP support was sought. Thus, the alignment between country priorities and METAP activities has grown over time.

2.4 The pillars of support, and continuing shift to policy tools and mainstreaming of environmental considerations in government decision, have evolved over time to reflect the priorities of member countries.

¹⁰ METAP Phase IV evaluation.

2.5 METAP is also fully consistent with the World Bank’s priorities at the corporate, regional, and country levels.

- At the corporate level, the Bank’s 1995 environment strategy focused on three main areas—improving natural resources management, arresting emerging pollution problems, strengthening environmental institutions, and increasing public participation.¹¹ The update to the 1995 strategy highlights several priorities including improving water resource management; managing land, coastal zones and natural habitats; reducing urban pollution; and strengthening capacities of environment institutions, local communities, NGOs, and the private sector. It specifically also calls for the supporting regional initiatives.
- At the regional level, an updated Regional Environmental Strategy for the Middle Eastern and North Africa notes the importance of continued assistance for environmental initiatives such as METAP, and the need to mainstream environmental priorities across all government ministries, a key objective of METAP. The Bank’s Eastern Europe and Central Asia environmental strategy also highlights as an objective protection of global public goods from degradations such as pollution of international waters, as well as the need for to enhance the effectiveness of environmental institutions through policy, institutional and investment support.
- At the country level, all 30 CASs during the period 1996-2004 discuss the Bank’s efforts in environmental management (see Table 2.1). Ten of these, mostly from the Bank’s Middle East and North Africa region, specifically refer to METAP and highlight the complementarities between the Bank’s assistance strategy and actions envisaged under METAP.¹² Even where there is no specific reference to METAP, the efforts of the Bank assistance strategy correspond to METAP activities.

¹¹ World Bank, “Toward Sustainable Development: An Environmental Strategy for Middle East and North Africa Region”.

¹² CASs reviewed (FY): Albania (1999, 2002, 2006); Algeria (1996, 2003); Bosnia and Herzegovina (1998, 2000, 2005); Croatia (1995, 1999, 2005); Egypt (1997, 2001, 2005); Jordan (1996, 2000, 2003); Lebanon (1994, 1998, 2006); Morocco (1997, 2001, 2005); Slovenia (1997); Tunisia (1996, 2000, 2004); Turkey (1998, 2001, 2004)

Table 2.1: An Illustration of Alignment between METAP and Selected Bank CASs

Country CAS (time)	METAP referred In CAS	Alignment with METAP
Albania (1998, 2002, 2006)	No	Environmental sustainability has been a key Bank goal since 1996. The 2004 CAS did not mention METAP, but had a strong lending program in METAP-related areas including waste, water management and ICZM. The Country Assistance Evaluation found that the 2002 CAS did not achieve its intended objectives. In 2006 CAS, these areas were given renewed attention.
Algeria (2003)	Yes	Bank assistance for strengthening natural resource management focused on implementation of the NEAP that included sharing knowledge, building local institutional capacity for understanding externalities between energy, trade policies, poverty, and the environment with support from METAP.
Bosnia (2000, 2004)	No	The 2004 CAS had Global Environmental Facility (GEF) investments on issues related to environmental sustainability, but there is no mention of METAP. In 2000, the Bank used an International Development Association (IDA) grant to identify environmental priorities and prepare a NEAP.
Croatia 1995, 1999, 2004)	Limited	Strong Bank support for environmental sustainability through the CASs. GEF investments in 2004 CAS for promoting tourism. METAP financed some ICZM activities.
Egypt (1997)	Yes	The CAS expected the Bank’s analytical advisory work to be financed by METAP, Institutional Development Fund grants to strengthen the environment management system, and EU partnership to raise environmental standards.
Jordan (1996, 2000)	Yes	In 1996, the Bank aimed to use METAP support to build capacity of the Environment Corporation (the core agency for addressing cross-sector environmental issues) and managing implementation of NEAP. In 2000, the Bank along with METAP assessed solid waste management in the northern areas and made recommendations on proper disposal of municipal waste.
Lebanon CAS (1994)	Yes	Bank support for the environment includes “an assessment, which, together with planned METAP activities, would help the Government develop an environmental strategy and lay the basis for an environmental lending operation.”
Syria	Yes	METAP helped to prepare the National Environmental Action Plan and to establish Environmental Impact Assessment (EIA) units in three cities.
Tunisia (2004)	Yes	The Bank proposed using METAP to improve EIA procedures particularly in sectoral environment assessment, public consultation and dissemination of information. It also sought to offer training on EIA preparation through the METAP-funded regional center in Tunisia.

REGIONAL CONSENSUS

2.6 The indicative work program and focus areas for support in each funding phase are prepared by the METAP Secretariat in consultation with national representatives of

the ministry of environments (called National Focal Points). And in each funding cycle, the country counterparts have expressed consensus on the need for the program, and have endorsed its work program as well as its pillars of support. Member countries decide to engage with specific program activities on a case-by-case basis. Thus, there is considerable country involvement in planning for program activities. However, country counterparts are not directly involved in implementation of these activities, and there is no direct country responsibility for implementation. Implementation of METAP activities is dominated by international consultants recruited by the Secretariat, with varying degree of involvement of national consultants.¹³ In METAP IV, some activities were executed by specific regional institutions, based in a member country.¹⁴ Further, countries are not represented on the governing body (Partners Committee), and therefore do not contribute to funding decisions (see Chapter 4 on governance). The METAP IV evaluation notes that “Other comparable regional programs have considerably more ownership by the beneficiary countries, as well as backing in international law from conventions or agreements. However greater beneficiary participation in METAP decision-making is unlikely unless they are willing to make a financial contribution to the program,”¹⁵ or unless countries are more directly responsible for implementation of program activities.

PROGRAM DESIGN

2.7 Overall, the program has three positive design features. First, the program involved that all relevant countries in the Mediterranean. Second, it sought to combine technical assistance investment with capacity building at the national and regional levels. Third, METAP III and IV project preparation activities were well designed and successfully generated subsequent investments (see paragraph 3.3). METAP evaluations have rated the technical scope and design of individual capacity building activities to be good, with the exception of some of the national capacity building in METAP III, as discussed in Chapter 3 below.

2.8 The program design also had three serious shortcomings, in addition to the lack of country involvement in program implementation and governance as discussed above:

- There is little linkage between the EIB-managed and World Bank-managed arms of the program (refer paragraph 3.10).
- There is as yet no mechanism for on-going cross-country interaction at the overall program level (refer paragraph 3.9).

¹³ The Secretariat notes that as countries involved in METAP activities undertake similar steps, the use of the same international consultant is cost-efficient and ensures uniformity in quality of services. Individual METAP reports are published only with government consent. They argue that capacity building occurs through transfer of knowledge and expertise by the international consultants to local consultants involved.

¹⁴ The METAP Secretariat noted that this enabled the Bank to develop innovative tools such as the Environmental Impact Assessment and the Cost of Environmental Degradation (COED).

¹⁵ Page 11, Phase IV Evaluation.

- There is no prior commitment or pledge of funds from individual donors. Instead donor financing is based on specific project proposals prepared by the Secretariat and is at times ear-marked for specific purposes. This causes uncertainty in planning for implementation of individual program activities (refer paragraph 4.13).

CLARITY AND MONITORABILITY OF OBJECTIVES

2.9 Program documents specify the overall objectives, focus areas for programmatic support, and proposed activities. But they do not present a clear results chain, with performance measures for each of the objectives, intermediate outcomes being sought in each of the focus areas, or the extent to which activities would contribute to such the outcomes and objectives. For instance, the capacity building objectives of the program have not been supported by a clear articulation of what kinds of capacity would be built at the regional and national level, and how this would be achieved in the various member countries. At the individual activity level as well, the METAP IV evaluation notes that few activities have measurable performance indicators at design.

3. Efficacy: Outcomes, Impacts, and Sustainability

3.1 **Summary:** Technical assistance provided by METAP has led to increased investment on environmental issues. METAP assistance has led to enhanced national institutional capacity in several member countries. There have been regular regional training and workshops as part of the activities in each pillar, as well as program-sponsored regional meetings on environmental topics of interest to all countries such as trade and environment and cost of environmental degradation. But there is no systematic mechanism for cross-country exchange of information and a proposed regional knowledge management system was not developed. Further, most support has been focused on the southern and eastern rim countries, with relatively little emphasis on the Balkan countries and Turkey. Though there are few risks that specific national and regional activities will be conducted, their outcome depends on the extent to which the participating countries choose to act on the results and take appropriate follow-up measures. Thus the risk to outcome and impact can vary across activities and countries. The sustainability of regional capacity building activities has depended on external support.

ACHIEVEMENT OF OBJECTIVES

3.2 The following describes the main achievements of the program during the period 1995-05 (METAP III and IV) against its two objectives: generating investments and building national and regional capacity.

3.3 **Generating Investments:** In METAP III, 17 projects worth \$1.4 million were prepared. METAP IV assistance led to the preparation of 35 projects that resulted in \$1 billion in investments. The bulk of these investments were funded by the EIB. The external evaluations note that countries have preferred to use concessional EIB funding over WB loans. Over the entire program period (METAP I-V), though METAP support has led to the preparation of six World Bank projects, two were taken over by other donors. The percentage of dry projects, i.e. projects prepared that were not funded was a relatively low 20 percent in METAP III. The external evaluations for METAP III and IV note that program assistance was invaluable in finding appropriate technologies and cost effective solutions, and in resolving project management issues.

Table 3.1: METAP Assistance Effective in Spurring Investments

Phases	No of projects financed	Investments (\$)
METAP I	22 (out of 63 prepared activities)	1.2 billion
METAP II	16 (out of 48 prepared activities)	1.2 billion
METAP III	17	1.4 million
METAP IV	35	1 billion

3.4 **Capacity Building:** Overall, METAP support over the last 15 years has been instrumental in building national institutional capacity, and has led to the establishment

of environmental ministries and strategies in eight countries.¹⁶ Support for Environmental Impact Assessments (EIA) has provided several countries with a mechanism to set up EIA structures and processes. Support in preparing National Environmental Action Plans (NEAP) enabled six countries to set environmental priorities and develop plans to meet them.¹⁷ METAP IV capacity building activities were more successful than METAP III, as discussed in paragraphs 3.5-3.9 below. In addition, devolution of particular activities to regional technical centers is an encouraging step towards building sustainable capacity in the Region (paragraph 4.11).

3.5 METAP III: The METAP III evaluation notes that country participants were not satisfied with quality of *national* capacity building activities, and it highlights a number of shortcomings, including design and execution flaws, delays in recruitment, poor management of activities, and lack of agreement on the agenda, vision and methodologies between the World Bank, UNDP and EIB. The evaluation also argued that local capacity building efforts, though important for environmental planning, did not lend themselves to a regional approach.

3.6 METAP III's *regional* capacity building activities included the Med Policies initiative, the creation of regional networks such as MedEcomedia, MedBranch and MedCities, the creation of a network of National Focal Points (NFPs), and a small grants facility (see Box 3.1). Though these activities were beneficial to client countries, they were not cost-effective (e.g. Program Performance and Monitoring), incurred high overhead costs (all programs, especially small grants facility), and some regional networks lacked follow-up investment (MedCities and MedBranch). Member country representatives (national focal points) were not well informed about regional capacity building activities. Some regional activities, notably the Trade and Environment initiative of the regional network called MED Policies and the Environmental Impact Assessment initiative were sustained in METAP IV and V, based on continued external financing. For example, the regional network of Mediterranean cities (MEDCITIES), based in Barcelona is no longer dependent on METAP, but raises financial resources from other donors, mainly the EU. But others such as Med Branch, established by METAP III and UNDP, ceased to exist after METAP III.

3.7 METAP III also actively pursued activities to enhance public participation and awareness of program activities. It created a website, best practice manuals, and electronic newsletters and conducted a regional electronic conference. But these efforts were small in scale and scattered.

¹⁶ Albania, Algeria, Bosnia and Herzegovina, Croatia, Lebanon, Morocco, Syria, and Turkey.

¹⁷ Albania, Algeria, Jordan, Lebanon, Syria and Tunisia.

Box 3.1 Wide Range of METAP III Regional Capacity Building Activities

Building Regional and National Capacity in Hot Spots (MED-BRANCH): Completed in 1998, this pilot worked to build capacity of stakeholders in environmental hot spots in the region and to initiate policy dialogues on themes such as urban environment management and planning, and water legislation. A Geneva-based NGO, International Academy for the Environment, provided technical support.

Program Performance and Monitoring (PPM): Promoted an environmental monitoring system comprising a framework of indicators related to METAP priority themes, intended to assist countries monitor progress towards environmental objectives. The Mediterranean Action Plan implemented national and project environmental performance indicators component.

Environmental Impact Assessment Initiative (EIA) aimed to help countries acquire necessary technical and policy tools to establish credible and operational EIA systems, with technical support from the EIA Centre at Victoria University of Manchester, U.K.

The MED-ECOMEDIA and MEDCITIES Networks links professionals around the region. These networks have been partially financed by METAP.

The Small Grants Facility (SGF) provided grant support for small-scale innovative activities that support METAP priority themes initiated by community-based non-governmental organizations (NGOs) in four countries - Turkey, Algeria, Jordan, and Lebanon. The SGF was implemented jointly by the UN Resident Missions in the countries and the Bank.

The MedPolicies Initiative: Created in 1997 and implemented by the Harvard Institute for International Development, the initiative focused on three issues: (a) trade and environment; (b) privatization and environment; and (c) social and economic aspects of air quality. It promoted a cross-sector, analytical and empirical approach to environmental and economic policy-making. Specifically, it conducted case studies, technical workshops, national roundtables, and regional policy seminars designed to engage public and private sector stakeholders in policy development.

3.8 **METAP IV:** METAP IV's national capacity building activities were largely effective. The METAP IV evaluation rated eight of eleven national capacity building activities, accounting for \$10.5 million (or 85 percent of total program costs of 12.44 million) to be satisfactory on effectiveness. In each of these instances, the technical assistance strengthened institution capacity or led to policy reforms in at least some of the participating countries. Further on six projects, the likely impact on policy changes and capacity in member countries were expected to be high (Table 3.2).

Table 3.2: Positive Outcomes of METAP IV National Capacity-Building Activities

Project	Cost (\$ million)	No. of Countries	Activities	Comment on Outcomes/Impact	Rating in METAP Evaluation
Trade and environment	0.4	9	Regional training and information sharing. National studies, and five sector policy notes (Palestine).	Impact on trade policies evident in Morocco. In other countries, impact is less unclear.	Highly satisfactory
Environmental impact assessment	1.1	8	8 national and 1 regional workshop Studies in 6 countries.	Strengthened laws and policies in Albania, Jordan, and Palestine; and procedures in Egypt, Tunisia, and Turkey. Enhanced public participation in Egypt, and improved ministerial coordination in Lebanon.	Highly satisfactory
Integrated coastal zone management	1.8	5	National strategies, studies and training.	Led to ICZM projects in Albania and Egypt. Impact overall not clear.	Marginally satisfactory
Medical urban waste management	0.9	3	3 pilot operations in Egypt, Jordan, and Cyprus.	2 pilots were sustained. Generated interest from other member countries.	Satisfactory
Cost of environmental degradation	0.2	7	7 national studies 3 regional training courses.	Change in investment patterns in Morocco. Egypt, Lebanon and Tunisia replicated efforts at municipal level.	Satisfactory
Regional solid waste management	5.6	8	Regional training, website, assessment, and guidelines.	Led to changes in policies strategies and laws, and cost recovery initiatives. Tunisia established a solid waste management agency, and waste management program.	Highly satisfactory
Water quality	0.3	7	1-year national data collection. Regional training.	Program impact not yet clear.	-
Communications	0.2	-	Dissemination activities.	METAP website created. Secretariat produces quarterly newsletters. In Egypt, air pollution strategy and TV clips.	-

Source: Annex 5, METAP IV Evaluation and interviews with Secretariat Staff.

3.9 METAP IV's regional capacity building activities entailed a series of national level activities, undertaken in a similar/consistent way across several member states. These activities were largely in the form of regional training and workshops on specific issues such as solid waste management, environmental impact assessments etc. In addition, the program conducted annual regional meetings on special topics of interest to countries such as the trade and environment and cost of environmental degradation. But beyond this, there is no systematic and regular on-going process for cross-country information sharing among members on key environmental issues. For example, the development of a regional knowledge management system, though considered to be integral to successful dissemination of program activities, did not materialize. The METAP IV evaluation notes that most knowledge libraries and documents on the environment are not Internet accessible. The METAP Secretariat staff report little demand for an electronic knowledge management system. Nevertheless, this represents a missed opportunity for systematically enlarging and sharing knowledge among countries. In the absence of clear goals and concrete performance measures, it is difficult to determine the full impact of the program in building regional capacity.

3.10 There is little evidence of the extent to which EIB investments and Bank-led capacity building efforts complemented each other. METAP III attempted to integrate the two aspects of the program by creating a Regional Facility in Cairo (see Chapter 4). This resulted in the development of some joint Bank-EIB METAP projects such as the West Bank and Gaza Solid Waste Management project and the Egypt Pollution Abatement project. But the regional facility, managed by seconded staff did not succeed and had to be disbanded. In METAP IV, EIB's funding was integrated into its larger program of technical support, called the *Facility for Euro-Mediterranean Investment and Partnership* (described in Box 4.2). Despite periodic consultations, the METAP IV evaluation found little coordination of program activities between the two donors.

REALIZED DISTRIBUTION OF COSTS AND BENEFITS

3.11 Ninety percent of program assistance has benefited the southern and eastern rim countries. The Balkan countries and Turkey have not been the main beneficiaries. Though these countries receive some assistance from METAP as part of specific activities, the METAP IV evaluation notes that their absence in most METAP activities limits the cross-country analyses of shared problems that are at the core of the program. The current distribution of benefits also means that countries like Albania and Bosnia-Herzegovina, which are among the least developed in the region, do not benefit as much from METAP as other member countries.

3.12 One reason highlighted by the METAP IV evaluation for this distribution is the evolution of donor organizational structures. When METAP began, all countries were generally in the same Region from a donor perspective. But over time, donors including the Bank, created separate organizational units for Eastern European and Central Asian countries and Middle Eastern and North African countries. For example, in the World Bank, METAP is financed by the Middle East and North Africa Region. The Bank's Eastern Europe and Central Asia Region no longer funds METAP. As a result, there has been greater attention to southern rim countries that fall under the Bank's MNA Region.

UNDP had similar organizational changes. In the EU, while the Balkan countries and Turkey qualify for special assistance programs for accession countries, southern and eastern rim countries are supported by specially designed programs such as SMAP.

RISKS TO OUTCOMES AND IMPACTS

3.13 There are few risks that specific national and regional activities will be conducted. But as countries choose to participate in particular METAP activities, the outcome and sustainability of these activities depends on the extent to which participating countries choose to accept the results of the TA and take appropriate follow-up measures. The evidence from successive METAP evaluations suggest that national capacity building activities have built sustained institutional capacity and/or led to policy reforms in at least some of the countries participating in the activities. For example, the program undertook Cost of Environmental Degradation studies in seven countries. As a result, there were changes in the investment patterns in Morocco, and Egypt, Lebanon and Tunisia were undertaking similar analyses at the provincial and local levels. The outcomes of these national activities are likely to be sustained. But the impact of the COED analysis in the other three participating countries is as yet unclear. Thus, the risk to outcomes and sustainability of national capacity building activities can vary based on country interest.

3.14 Given the limited country participation in program financing and implementation, it is however unlikely that regional level capacity building activities will be sustained by member countries in the absence of external support. METAP IV started to devolve implementation of some national level activities (or components of activities) to specific regional institutions (see Chapter 4). While this has enhanced capacity in the relevant institutions, it not clear if the skills transferred would be utilized in the absence of grant financing provided by the program.

4. Efficiency: Governance, Management, and Financing

4.1 Overall, the program has used its project preparation resources efficiently. Resources for national capacity building activities were used efficiently in both METAP III and IV, but in METAP III, the program was unable to raise an expected \$80 million in financing needed for the operation of the Mediterranean Regional Facility in Cairo. Despite improvements in the processes for consultation with country representatives, program governance is largely donor driven. Donors decide on the allocation of resources for program activities; country representatives only participate in general program discussions. The METAP World Bank Secretariat managing the capacity building activities of the program was more successful in executing and overseeing capacity building activities in METAP IV rather than in METAP III. The program's financing arrangements have entailed transaction costs to the Secretariat, and at times, donor earmarking has led to some areas of priority being neglected. There is little evidence to determine how well the program has coordinated EIB-managed project preparation support with World Bank-managed capacity building support. Despite improvements over time, the program has faced challenges in donor coordination.

EFFICIENT USE OF RESOURCES

4.2 The efficiency of support for project preparation can be measured in terms of the investments generated by such assistance. In this regard, the program has been very efficient. In METAP II, \$5.7 million of technical assistance for project preparation was expected to have leveraged close to \$1.2 billion in follow-up investments; a ratio of 1:210. In METAP III, the EIB noted that METAP had generated 17 investment projects worth \$1.4 billion for its portfolio. Overall, EIB noted that about 50 percent of its lending for environmental protection can be traced back to METAP. The METAP IV evaluation does not provide information on EIB's project preparation activities.

4.3 Individual capacity building activities in METAP III and IV also made efficient use of resources. The METAP IV evaluation notes that most program activities covered multiple countries and entailed preparation of national level studies, assessments and guidelines using a common methodology that generated economies of scale. But in METAP III, the program overall failed to mobilize the proposed \$80 million needed to finance the overhead costs related to the establishment of the METAP Management Facility in Cairo (refer paragraph 4.12).

4.4 The program's financing arrangements have entailed significant transaction costs to the Secretariat. There is no joint, legally binding formal agreement that ties the partners and member countries into the METAP program. There is no formal charter that lays out the roles and responsibilities of various actors, and there is no prior commitment of funds or pledges from the contributing partners. At the beginning of each funding cycle, donors signal their interest in terms of focus areas and availability of funds to the METAP Secretariat. The Secretariat then prepares a tentative work plan with indicative amounts, abased on discussions with national representatives. Actual financing is committed based on individual project proposals prepared and presented by the

Secretariat to the donors.¹⁸ As there is no certainty in financing, the Secretariat approaches all interested donors on each individual project.

GOVERNANCE AND MANAGEMENT

4.5 **Governance:** The program is governed by a Partners' Committee comprised of five contributing donor partners and meets twice a year. This Committee accepts the work program proposals prepared by the Secretariat in consultation with member countries for each funding phase. It also reviews and approves financing of individual project proposals prepared by the Secretariat. Each member country nominates a representative with whom the Secretariat works, to devise the work program and in order to ensure coordination between METAP activities and the country's own activities and priorities. These representatives are usually from the member countries' Ministry of Environment. Turkey alone has a second representative from the Ministry of Finance.

4.6 Beginning in METAP III and continuing in METAP IV, the program has sought to enhance the role of the national representatives in overseeing and guiding program activities. The deliberations of the national representatives and the Partners Committee are now held at the same time—there is a joint annual meeting of the partners and national representatives, along with separate break-out sessions for each group.¹⁹ As a result, the METAP IV evaluation notes that “member country representatives do not, on the whole, see the governance as excessively donor driven.”²⁰ Nevertheless, the governance of the program does not conform to best practice for regional programs as donors decide on the allocation of resources among proposed program activities, while country representatives participate only in general program discussions.

4.7 Though METAP was created at a time to fill a gap in institutional and human skills, its governance structure has not evolved over time. The METAP IV evaluation notes that comparable regional programs have more ownership by beneficiary countries.²¹ It also notes that given the interests of various donors in maintaining control over funds they contribute to the program, “METAP governance is de facto decentralized, the semi-annual meetings of the Steering Committee mostly endorsing unanimously the majority of activities of the various partners.”²²

4.8 **Management:** The management of the program is divided between the EIB and the World Bank. The EIB manages its support for investments on environment. In other words, it is responsible for all technical assistance provided for project preparation activities that could eventually lead to EIB investments in METAP IV. (It does not

¹⁸ The Bank and donors also fund operations of the World Bank Secretariat, located in Washington D.C.

¹⁹ In Phase III, the meetings of the representatives and the Partners Committee were held back to back with a view to incorporate member government concerns into the Committee's discussions.

²⁰ Paragraph 30, METAP IV Evaluation.

²¹ For example, Black Sea, Danube, Aral Sea, Nile Basin, or Congo Basin Environmental Information.

²² Paragraph 2.6, METAP III Evaluation.

manage other donor funds). The management of the capacity building objectives of the program lies with the METAP Secretariat in Washington D.C. The World Bank METAP Secretariat coordinates funding from the various donors involved in the METAP's capacity building activities, and until METAP IV was also responsible for coordination funds provided by the World Bank for project preparation.

4.9 Overall, the management of the program in METAP was effective in all phases except METAP III. In METAP I and II, as envisaged in the concept documents, the METAP Secretariat managed effectively by the World Bank and comprised a full-time coordinator and operational staff, along with two staff for administration and finance.

Box 4.1: METAP III's Failed Experience with a Regional Management Facility

METAP III experimented with the creation of a METAP Mediterranean Regional Facility (MRF) in Cairo, to implement the program's project preparation and capacity building activities. The aim of this effort was to enhance country ownership and donor coordination, and facilitate greater coordination between the project preparation and capacity building aspects of the program. But donor preference for direct lines of authority led to the creation of the following sub-groups within the MRF:

(a) Project Preparation Unit: Responsible for policy support and capacity building for project preparation, and managed by staff seconded from EIB and World Bank,

(b) National Capacity Building Unit: Responsible for activities building national and regional capacities. The national capacity building activities were managed and UNDP's Capacity 21 personnel.

(c) The Regional Capacity Building Unit: Responsible for strengthening networking and cross country information exchange among member countries, was managed by UNDP's Regional Bureau.

This experiment was not successful for several reasons: (a) the program could not mobilize the increased funding (\$80 million) needed to cover the MRF's overhead costs; (b) the sub-units operated in parallel, with little integration between capacity building and project preparation activities, until the last work program in the 5-year period; and (c) member countries found capacity building operations of Capacity 21 to be poorly designed and managed and thus there was limited capacity to support the substantial EIB investments resulting from the program's project preparation activities.

4.10 METAP III aimed to coordinate METAP activities with UNDP's Capacity 21 initiative and the EC's Euro-Med partnership, and transferred management responsibilities to a multi-donor Mediterranean Regional Facility (MRF) in Cairo, under the overall guidance of the METAP Secretariat. METAP III envisaged a smaller Secretariat comprising one full time administrative staff and two part time operational staff, including the coordinator (see Box 4.1). But differing mandates and views among donors on what constitutes capacity building, and donors' interest in maintaining direct control over their funds led to the creation of donor sub-units within the MRF, with little coordination between them. For instance, national and regional capacity building activities in the MRF were managed by the UNDP's Capacity 21 staff and its regional

bureau staff respectively. The national capacity building activities represented 15 percent of program financing, but were expected to be central to building national and local planning capabilities, and thereby to the project preparation work. But as noted in paragraph 3.5, these activities were not effective, and the unit managing these activities was closed a year ahead of schedule. The METAP III evaluation notes that the reduced size of the METAP Secretariat limited its ability to provide adequate management and guidance to the program at a critical juncture.

4.11 METAP IV adopted a gradual approach and devolved management of specific ‘pillars’ to qualified regional institutions to increase cost-effectiveness, enhance country ownership, and reduce the administrative role of the Washington-based Secretariat.²³ The devolution was most evident in solid waste management, where a Regional Management Group was established in Tunisia’s environmental agency to implement aspects of the Regional Solid Waste Management Project, though the METAP Secretariat retained responsibility for major decisions, including on procurement. METAP IV devolved implementation of specific projects as well. For instance, the UN Economic and Social Commission for Western Asia (ECSWA) was responsible for implementing the Trade and Environment Project; Tunisia’s International Center for Environmental Technologies (CITET) was responsible for implementing the Environmental Impact Assessment, and Egypt’s National Water Research Centre was responsible for implementing a component of the Water Quality Project.

4.12 The METAP IV evaluation notes that this experience with devolution has been successful both in terms of project quality and cost-effectiveness. But as devolution was less extensive than envisaged at the outset of METAP IV, the Secretariat became larger than anticipated and now has three full-time and two part-time staff, in addition to the METAP Coordinator.²⁴ The METAP IV evaluation notes that the coordinator’s frequent trips to the Region and hands-on approach are appreciated by the member countries, that the increased level of staffing has enabled the Secretariat to provide adequate technical guidance and supervision, and that such attention was a key for program effectiveness. This enhanced level of staffing has been maintained for Phase V.

FINANCING

4.13 The unwillingness of donors to commit funds on a programmatic basis has been a problem since the inception of the program. As noted in paragraph 4.4, the financing arrangement implies uncertainties in financing for the Secretariat and prevents systematic long-range planning of activities against program objectives. Moreover, as donor funding is often earmarked for specific issues or priorities, this has resulted in greater attention in the work program to areas that are important for donors than for the overall program objectives. Program evaluations noted that integrated water management and air pollution in hotspots though identified as priority areas were not

²³ The Secretariat currently manages the Cost of Environmental Degradation program, oversees aspects of the program managed by regional institutions, and maintains fiduciary responsibility for the program.

²⁴ METAP IV anticipated one full-time and two part-time staff.

reflected in the METAP III and IV work program respectively, despite substantial analysis that pointed to the threat posed by these issues to long-term health and economic development. The evaluations suggest that the lack of adequate donor resources for work in the areas is an important reason.

4.14 Support for program management—i.e. financing of the METAP Secretariat—is based on donor annual or biannual/periodic contributions from individual donors. It is not pooled and is not directly related to the size and composition of the program. For instance, in METAP IV, the World Bank’s financing for the Secretariat was determined on a yearly basis and amounted to \$0.9 million (50 percent) of the total management costs of \$1.9 million. This arrangement as noted by Secretariat staff results in considerable uncertainty for program management.

DONOR PERFORMANCE

4.15 There are two issues related to donor performance that need to be considered: (a) the activities of donor partners that are part of and finance METAP, and (b) coordination with donors who are outside of METAP, but are active on environmental issues in the Mediterranean. Donor performance has been less than optimal on the first, though the latter has improved over time.

4.16 The performance of METAP on enhancing coordination among donor partners within the program has been limited as a result of two shortcomings:

- There has been little coordination between EIB and the World Bank on METAP activities (refer paragraph 3.11).
- Differing donor procedures have made it difficult for the METAP to tap into and use agreed grant financing from participating partners. For instance, in METAP IV seven member countries requested technical assistance for using economic instruments, such as benefit-cost analysis. The METAP Secretariat prepared a proposal for 750,000 Euros on behalf of six countries,²⁵ and this was approved by donors in November 2003. But the World Bank, as executing agency, could not accept the approved funds as LIFE III provisions were not compatible with established agreements between the EC and the WB.

4.17 METAP’s performance in coordinating its activities with other donor programs working on environmental issues in the Mediterranean has improved in the last two years. At the time the program was created in 1990, there were no other donor programs in the region that provided technical assistance for the environment, except the Mediterranean Action Plan (MAP) sponsored by the Global Environmental Facility (GEF), which had been working actively since the 1970s on Integrated Coastal Zone Management. But there are now several multilateral programs that work on similar

²⁵ In the final round of the proposal, the EC requested that Libya be removed from the list of countries, as it was not eligible for EC financial assistance at the time.

issues (see box 4.2 for a brief description of these programs), in addition to bilateral assistance from Europe and the United States.

Box 4.2: Plethora of Regional Environmental Programs in the Mediterranean

Short and Medium-term Priority Environmental Action Program (SMAP): Is a framework for protection of the Mediterranean environment, adopted by the Euro-Mediterranean Partnership in November 1997. The SMAP focuses on five priority areas: integrated water management, waste management, and hot spots (covering polluted areas and threatened biodiversity elements), integrated coastal zone management, and combating desertification.

Mediterranean Action Plan (MAP): Sponsored by the GEF, the MAP created in 1978, is a regional cooperative effort among 21 countries bordering the Mediterranean Sea that are signatories to the 1976 Barcelona Convention for Protection of the Mediterranean Sea against Pollution, as well as the European Union. The MAP aims to protect the marine and coastal environment while boosting regional and national plans to achieve sustainable development.²⁶

Facility for Euro-Mediterranean Investment and Partnership (FEMIP): Launched in October 2002, the FEMIP is a fund managed by EIB for technical assistance for project preparation and implementation. It aims to help Mediterranean countries²⁷ to meet the challenges of economic and social modernization and enhanced regional integration, in the context of the creation of a customs union with EU by 2010.

L'Instrument Financier pour l'Environnement (LIFE): Introduced in 1992, LIFE spearheads the European Union's environmental policy. Its objective is to contribute to the development of innovative techniques and methods by co-financing demonstration projects. LIFE funds projects in five areas: land-use development and planning, water management, waste management, reduction of environmental impacts of economic activities, and reduction of environmental impacts of products through an integrated product policy.

4.18 METAP III's attempt to enhance coordinate donor technical assistance (EU-Bank-UNDP) and capacity building through the MRF did not succeed (see paragraph 4.10). On the recommendation of METAP IV, the program formalized a Memorandum of Understanding (MOU) with the MAP program 2005. The corporate MOU between the World Bank and European Union also finalized in late-2005, which emphasizes coordination on issues of sustainable development, is expected to facilitate better division of labor between METAP and all related EU-sponsored activities. In addition, METAP IV worked closely with the Mediterranean Commission on Sustainable Development and increased outreach to related donor programs through newsletters and on specific pillars. The METAP IV evaluation notes that despite these efforts, the program is supported by a relatively small number of donor partners, who may or may not choose to channel their environmental assistance through it, and that the program will need to coordinate with important bilateral players (like United States and Germany) who will likely remain outside the purview of the program.

²⁶ The Barcelona Convention was adopted in 1976, and entered into force in 1978.

²⁷ Algeria, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and Turkey.

5. Monitoring and Evaluation

5.1 Monitoring and evaluation has been raised consistently as a weakness in program management. But the program does undertake a formal evaluation exercise prior to every replenishment cycle that provides evidence about the program's overall efficacy of program activities and individual technical assistance projects, and in some instances on specific pillars of support such as on solid waste management, and environmental impact assessments.

5.2 On monitoring, evaluations for METAP III and IV have noted the need for better quality and consistent reporting from the METAP Secretariat to the donors and to member countries on program activities. The assessment of METAP III recommended that the program systematically evaluate all completed projects. This recommendation, according to the METAP IV evaluation, has only been partly achieved. The phase IV evaluation notes that few projects have monitorable performance indicators and cites the Regional Solid Waste Management Project as a good example that benefited from useful quarterly progress reports, a mid-term review, as well as a final review by an independent consulting firm. It recommends that every technical assistance project be evaluated for its performance and impact, and that for larger projects over \$1 million that such evaluation should be by independent experts.

6. World Bank Performance

6.1 Overall, the Bank along with the EIB was responsible for initiating a program that coordinated donor technical assistance for regional environmental issues with related investment support. The focus of the Bank's assistance through the program evolved over time to reflect changing country capacities and realities, and its technical advice on program activities has been valued by member countries and donor partners. Its management of the METAP Secretariat has also been largely effective. But the Bank has not been able to convince donor partners to promote greater country responsibility in program governance and implementation. The Bank's technical and financial contributions have become less important over time, and the program as yet has no clear disengagement strategy, though one is likely to be prepared in METAP V.

THE BANK'S ROLE

6.2 The Bank has played four distinct roles in the partnership program.

- **Convener:** In the initial years, when there were few active donors working on environmental issues, the Bank played an important role in coordinating its technical assistance with the European Investment Bank.
- **Program Manager:** The Bank seconded staffs to the METAP Secretariat for managing the program's capacity building activities.
- **Financier:** The Bank has been a donor partner funding program activities during METAP I, II and III (Table 6.1). In METAP IV and V, though the Bank seconded staff to the program's capacity building Secretariat, it has not directly financed program activities.
- **Technical Advisor:** The Bank seconded staff to the METAP Secretariat and provided technical expertise.

Table 6.1: World Bank Funding for METAP (amounts in \$million)

Donor/Partner	METAP I	METAP II	METAP III	METAP IV	TOTAL
World Bank	2	3	6.5	1	12.5
European Union	5.5	6.5	1	5.5	18.5
EIB	2	3.5	5	4	14.5
Finland	-	-	-	2	2.0
Switzerland	-	-	2.5	1.5	4.0
UNDP	2	3.5	5	-	8.5

COMPARATIVE ADVANTAGE

6.3 In the early 1990s, the Bank, along with the EIB, initiated a program that coordinated technical assistance for regional environmental issues with related financial support. The Bank was thus able to fill an important role in mobilizing donor resources

for technical assistance related to the environment. During METAP I, II and III, the Bank provided financial assistance for project preparation and capacity building, and financed follow-up environmental investments. This support led to six new follow-up investments, two of which were taken over by other donors who could provide grant resources. In METAP IV, as grant financing from the European Union and other agencies increased, the Bank appropriately focused its support solely on its comparative advantage, i.e. technical assistance for capacity building and management of the METAP Secretariat.

QUALITY OF SUPPORT AND OVERSIGHT

6.4 The Bank's role in staffing and overseeing the performance of the METAP Secretariat was effective. The METAP IV evaluation notes that this was a key factor in sustaining the capacity building aspects of the program over the last fifteen years, despite the relatively unsuccessful experiment in building national capacity through the MRF in METAP III.

6.5 The program's pillars or priority areas for TA and investment support evolved over time to reflect changing country capacities and realities, and the Bank's technical leadership has been valued by both member countries and donor partners. The METAP IV evaluation notes that donor partners prefer to channel resources through the Bank-managed Secretariat as it provides them greater assurance of project quality and impact. It notes that in the donors' view the program's "connection to the World Bank 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."²⁸

6.6 But the Bank has not been successful in convincing donors to promote greater country responsibility in planning and implementing program activities, and country participation in resource allocation decisions. Country capacities have improved and there is greater donor attention and grant resources available for environmental issues in the Mediterranean, especially from the EU. Thus, the relative importance of the Bank's support over time has declined. Yet, the Bank has no systematic plan for disengagement from the program, though staff indicates that one will be developed in METAP V (see paragraph 6.10).

LINKAGES TO OTHER BANK COUNTRY OPERATIONS

6.7 METAP activities are largely consistent and well aligned with Bank strategies at the regional and country level (refer paragraphs 2.6-2.7), and have modestly influenced Bank lending and non-lending assistance at the country level (see Table 6.2). During METAP III and IV, capacity building activities in five countries were directly linked to Bank investment operations, sector work or preparation of assistance strategies.²⁹ Similarly, project preparation activities from METAP III (the Bank was involved to in

²⁸ METAP IV evaluation.

²⁹ METAP Phase IV Evaluation – Annexes.

funding project preparation activities through the MRF) were also linked to investment operations in four countries.

Table 6.2: Positive Linkages between METAP Activities and Bank Assistance

Country	Activity	Category	Description	Implication for WB Assistance
Albania	Coastal Zone Management Plan	Capacity building		Plan approved by council of ministers; led to \$17.5 million investment project.
Slovenia	MEDPOLICIES	Capacity building	Study on environment and privatization aimed to assess needs/policies to stimulate private sector participation.	Elements on costs of environmental infrastructure and role of private sector incorporated in CASS.
Algeria	Study on the cost of environmental degradation (COED) for the NEAP	Capacity building	Prioritized national environmental issues and developed cost-effective options, based on COED study.	Used to develop the Bank's assistance strategy in environment.
Algeria	Industrial Pollution Control study	Capacity building		\$36.5 million loan
Algeria	Oran Env. Action Plan	Project preparation	Study to assess efficiency in use of water supply.	\$39 million loan.
Egypt	Industrial Pollution Control study	Project preparation	Set investment priorities in pollution control, strengthen enforcement capacity, and increase awareness among media, financial sector, and industrialists.	\$35 million Egypt Pollution Abatement Investment Project.
Egypt	Identification study for rural water, sanitation project	Project preparation		Used as an input to a sector study.
Morocco	Industrial assessment pre-feasibility study	Project preparation	Institutional audit report.	\$6 million Bank loan for project on environmental management
Tunisia	COED Study	Capacity Building	Developed indicators, methodology and trained staff in the same.	Use to develop the Bank's assistance strategy for environment.
West Bank and Gaza	Solid waste and environmental management	Project Preparation		\$9 million investment project

STRUCTURES AND INCENTIVES

6.8 The program supports two contiguous regions of the World Bank operational structure: the Eastern Europe and Central Asia (ECA) and the Middle East and North Africa (MNA) regions. In part, as Bank financing and logistical support for the METAP Secretariat is provided by the MNA Vice-Presidency, there has been a relatively greater emphasis of program activities in the southern and eastern rim countries that fall under the MNA Region. The ECA Regional Department no longer provides program support for METAP and this may in part explain the distribution of benefits among member states (see also paragraph 3.11-3.12).

DISENGAGEMENT STRATEGY

6.9 There is no clear disengagement strategy for METAP. Given improvements in national and regional environmental institutions and the availability of grant financing from various sources, donors questioned the need for continuing METAP during the replenishment discussions on METAP IV and V. The current decision has been that despite the presence of other regional efforts, METAP is a cost-effective forum for the Bank, participating donors, and member countries to address environmental concerns related to the Mediterranean Sea. As a result, the program was extended to a fifth Phase (2007-10), with a proposed budget of \$20 million. According to Staff, the questions of how much longer METAP should continue to exist and what the disengagement strategy should be will be addressed in METAP V.

7. Country Participation

7.1 The main interlocutors for the program on behalf of the countries, the National Focal Points, are usually representatives from the Ministries of Environment. As country policies and capacities have improved, key representatives from government Ministries have become increasingly involved in some program activities. For example, discussions on the cost of environmental degradation in seven countries involved the ministries of planning, finance and the environment. In addition, the program has also conducted cross-country training and workshops as part of individual program activities. And the formal member country representatives (NFPs) meet annually. But, as noted in paragraph 3.9, there is as yet no systematic platform for countries to interact with each other, and attempts to create an electronic knowledge network between the countries have yet to yield results.

8. Conclusions

SUMMARY OF FINDINGS

8.1 METAP's objectives of promoting investments and building capacity that help to institutionalize environmental priorities continue to be relevant for member countries bordering the Mediterranean Sea. Overall, despite the failure of METAP III's capacity building activities, the program has led to significant investments on environmental issues (especially by the EIB) and enhanced national institutional capacity in several member countries. The program's priority areas of support have evolved in each funding phase to reflect emerging regional environmental issues in the countries. Thus, the technical content of the program activities remains relevant. METAP activities have created investment opportunities for the Bank in some countries in METAP III, and its management of the program's capacity building support has largely been effective.

8.2 But the context in the Mediterranean has changed, and this has reduced the relative importance of the program over time. There is now increased donor interest on environmental issues in the region and substantial grant financing, particularly from the EU. This created some overlap among donor activities. Following the recommendations of the METAP IV evaluation, the program has entered into formal MOUs with important initiatives such as the GEF-sponsored MAP and EU-sponsored SMAP. Secretariat staff noted that the program will be planning a strategy for disengagement in METAP V.

IMPLICATIONS FOR EFFECTIVE SUPPORT

- The governance and management structures of a regional program should entail client country involvement in core decision making from the outset to ensure country ownership and sustainability.
- Regional technical assistance programs at a minimum should identify a systematic way for cross country learning and sharing of experiences, if they are to capture the full benefits of operating regionally.

Annex A: References

Documents Reviewed

- Program Launch Documents – METAP III
- Program Launch Document - METAP IV
- Evaluation of METAP II and related Annexes
- Evaluation of METAP III and related Annexes
- Evaluation of METAP IV and related Annexes
- METAP Website (www.metap.org)
- “15 Years of Regional Cooperation with the Middle East and North Africa Countries,” Power Point Presentation, July 2005.
- “METAP 2001 and Beyond: A Renewal of Environmental Support for the Mediterranean Countries,” Program Concept Document, 2001.
- “Toward Sustainable Development: An Environmental Strategy for Middle East and North Africa Region.” World Bank.
- World Bank Country Assistance Strategies (FY): Albania (1999, 2002, 2006); Algeria (1996, 2003); Bosnia and Herzegovina (1998, 2000, 2005); Croatia (1995, 1999, 2005); Egypt (1997, 2001, 2005); Jordan (1996, 2000, 2003); Lebanon (1994, 1998, 2006); Morocco (1997, 2001, 2005); Slovenia (1997); Tunisia (1996, 2000, 2004); Turkey (1998, 2001, 2004)

Persons Interviewed

1. Ellysar Baroudy – METAP Secretariat
2. Sherif Arif – METAP Coordinator