



Helen.Walsh

Subject PARTIAL FUNDING OF PROJECTS IN THE WORK PROGRAM

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Colleagues --

We have serious problems with the idea of partial funding of projects, as proposed in the work program. Nor do we support a decision that some projects will have first priority in the next work programs. I do not believe that partial funding of projects has ever happened in the GEF. Our loan review office, which reviews thousands of projects each year, is not aware of this practice occurring in any MDB either.

This proposed approach is objectionable on two counts: (1) It implies a contingent liability on GEF resources. (2) How can you say that the project will be successful if a significant portion of its financing is not secured? The answer to this question is fundamental to the Council decision on whether or not to approve the project.

I'm concerned that this approach runs the serious risk of holding up Council approval of the entire work program. Therefore, I would urge that you revise the work program so that the full amount of resources needed for projects in the work program fully matches the amount of resources available for GEF Council commitment, with no indication of future commitments for projects left out of the work program.

I hope that you can work together to get this sorted out before the GEF Council meeting. We will also look at the work program to help identify areas for adjustment.

Sincerely --

Helen

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