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Opening Remarks

**Monique Barbut, CEO and Chairperson
Global Environment Facility**

**Special Council Meeting
May 24, 2010
9:30 a.m.
Punta del Este, Uruguay**

Distinguished Council Members and friends,

I would like to thank you, our GEF partners, for coming to Punta del Este to participate in this Special Council Meeting and our Fourth Assembly. I would like to express my deep appreciation to the Government of Uruguay for hosting us here at this beautiful location.

This Council is meeting to endorse the largest replenishment in the GEF's history. This historic replenishment attests to the renewed confidence of all GEF participants in our institution. Today's GEF differs significantly from the GEF of 2006. All of us, together, have made this new GEF possible through much hard work over the past four years.

I would like to express my gratitude to the traditional contributing parties to the GEF for their extraordinary effort that resulted in an increase of 52% of resources compared to GEF-4 level. In doing so, they reaffirmed their commitment and support to the GEF.

Join me in welcoming our new donor, the Russian Federation. I hope their example will encourage other countries to become donors to the GEF Trust Fund.

I would like to reiterate that a country can become a contributing party to the GEF Trust fund at any time.

Congratulations to Brazil for an exemplary come back as a GEF donor.

We must continue our efforts to make the GEF a world class institution. The fifth replenishment provides us with that opportunity, and I would like to begin with a presentation of the roadmap. I will then outline the resources necessary for its implementation under the provisional budget for FY11.

Let me begin with a presentation on our roadmap for GEF-5.

Two weeks ago, more than 30 nations concluded negotiations on the fifth replenishment, with commitments totaling a record \$4.25 billion. This aid is the largest increase in new donor support for the GEF. I would like to reiterate my gratitude to the donors for this support.

I am pleased today, because this level of resources will enable us to do more for the global environment. We will do more with these resources by continuing and expanding our work program in each GEF focal area. We will also do more by engaging in new and innovative activities that create synergy among the various sectors. In particular,

- We will program \$1.35 billion for Climate Change mitigation projects — a 43 percent increase over the GEF-4 level.
- Resources for Biodiversity will grow by 28 percent, to \$1.2 billion.
- Resources for International Waters will increase by 27 percent and by 44 percent for Land Degradation activities.
- Resources for Persistent Organic Pollutants will be boosted by 33 percent and, for the first time, we will allocate resources specifically for integrated chemicals management activities, starting with mercury emissions reduction.
- Lastly, we will target US\$250 million for projects related to sustainable forest management and the REDD+ initiative, which will enable us to further build on the GEF's legacy. Today, the GEF is the largest multilateral funder of forest conservation and management projects.

This is what we have planned. However, as you are aware, we at the GEF never have the luxury of resting on our laurels. We are now facing new expectations. The Fourth Overall Performance Study of our institution clearly demonstrates that further reforms are needed to enhance country ownership of the GEF and improve the GEF's efficiency. This is why we are recommending a roadmap for GEF-5, which will enable us to consolidate gains and adopt new measures by implementing the following reforms in particular:

- The Country Support Program for Focal Points will be redesigned. Interested countries can receive direct funding to conduct a voluntary portfolio identification exercise. This exercise will assign greater responsibility to countries for the use of resources.

- For interested countries, the Secretariat will provide direct funding to country agencies for the preparation of National Communications to the Conventions.
- We are proposing that the GEF partnership be expanded to include new agencies, which will improve country choice in selecting agencies, and broaden the expertise available to them.
- Lastly, the project cycle will be streamlined further and the programmatic approach will be reviewed in order to finance transformational investments.

In order to institute these reforms, the procedures for their implementation must be clearly delineated and thus require review by the Council. This will be one of the main points of discussion during our next Council meeting in June, during which all the necessary documents will be presented to you.

These reforms also require a budget for their implementation, which now brings me to the FY11 budget.

In view of the robust increase in resources that the GEF has secured and the ambitious reforms that have been agreed upon, FY11 will be a critical year.

In 2007, the Council established a budget cap of US\$93.5 million to cover the administrative expenses of the GEF's four central units for the FY08-FY11 period. We have adhered to this budget cap. The core budgets of the four central units, as well as the costs of the GEF Assembly, will amount to US\$92.08 million, well within the established threshold.

FY11 is a transition year. Much of our work is contingent on Council approval of the procedures to implement the reforms. As a result, the GEF Secretariat is presenting a two-part budget: a core budget and a second budget that we are calling a “contingent budget.”

The Secretariat’s core budget request for FY11 amounts to US\$17.352 million. This will enable the Secretariat to organize Council meetings and program resources during the first year of GEF-5. It will also allow us to provide the Secretariat with the human resources needed to execute the expanded program that I have presented to you. The Secretariat requires additional staff in a number of key focal areas, in particular Forests, Chemicals, and Land Degradation.

The second part of our FY11 budget presentation is a “contingent budget” amounting to US\$1.173 million. We are not recommending that these resources be immediately approved at this Council meeting. We are instead proposing that their approval be contingent on Council approval in June of reform implementation procedures for country portfolios, National Communications, and the Country Support Program for Focal Points. I would like to clarify this approach. Should the Council approve implementation of the recommended reforms, the Secretariat must be in a position to institute them without delay. We must be prepared.

The preliminary estimates presented to you in the FY11 contingent budget include the direct provision of support to countries with their portfolios and

National Communications. The Secretariat will also provide support to country focal points. This work will require additional staff in our external affairs and operations teams.

While we have carefully weighed the implications of hiring staff, I would, however, like to underscore the fact that this is only a minimum estimate of the resources needed. In November, we will present to the Council a comprehensive FY11-FY14 business plan with a more detailed description of the implementation procedures for these measures. We therefore reserve the right to come back to you, if necessary, to request additional resources.

Ladies and Gentlemen,

I would like to conclude my remarks by once again thanking you for your support to the GEF.

The next three days will provide us with an opportunity to celebrate what we have accomplished these past four years, and to share our views on the planned reforms.

We have organized a series of roundtables for the Assembly at which a facilitator will be present. I hope that this innovative format will allow heads of delegations and representatives to engage in very fruitful discussions on our two major challenges: enhancing country ownership of the GEF and further improving the efficiency of our institution. We very much look forward to your insights and

suggestions—particularly those from our colleagues from the recipient countries. It is our hope that these suggestions will be taken into account in the implementation of reforms under GEF-5.

As always, I am counting on your support to make the GEF a global leader in environmental issues.

Thank you.