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Intervention at the meeting with
Latin American group

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CEO intervention at the meeting with Latin American group at UNFCCC
DRAFT

Thank you for accepting this invitation to meet with the GEF. I believe this is the first time we are meeting in this context and it is timely that we do so.

As you know, GEF4 is coming to an end and the replenishment discussions for GEF5 are almost complete: we have had four meetings so far and will hold one more in February, before the GEF Assembly in May 2010. Since I mention the Assembly I am delighted to note that for the first time it will take place in Latin America at the kind invitation of Uruguay. I hope you will all be there.

Getting back to the replenishment, it is very important to note that for the first time non-donor recipient countries have been represented in the discussions. The GRULAC region was represented by the Council Member from the Caribbean, Rickardo Ward of Barbados, who together with other participants from the region has been very active in articulating your concerns.

Let me highlight the key features of the discussion in the context of the replenishment as well as some views on the aspects that relate to UNFCCC.

First, we have a new system for allocating resources that was approved by the Council at its last meeting in November. The Transparent System for Allocating Resources, or STAR, will replace the current RAF as from next July and aims to improve the system based on your comments, on the experience of the RAF and the evaluations made.

The STAR will provide predictability of funding and flexibility of programming.

It will be predictable because all countries will receive a national allocation in the areas of climate change, biodiversity and land degradation. This means: no more group. The other focal areas will continue as before. The amounts will be calculated based on the indicators developed, but a floor and a ceiling has been set for each focal area. In Climate change the minimum a country will receive is 2 million, in Biodiversity 1.5 million and in land degradation 0.5 million.

It will be flexible because all countries receiving a total allocation below a certain threshold will be able to program their resources to address their main priorities without having to respect the amounts assigned to each focal area.

In addition to country allocations, funds will be available for national communications up to 500,000 per country for climate change and biodiversity and 150,000 for reporting to UNCCD. And the rule of 50% that was such a problem in GEF4 has been eliminated.

Another innovation is the creation of a sustainable forest management incentive program of about 200 million dollars. Since forests provide benefits across several focal areas, this money will be used as an incentive for countries to use some of their national allocations for SFM and LULUCF activities. This means to say that if a country assigns some of its resources to sustainable forest management it will receive a “bonus” from this incentive fund to increase the impact.

To save time I have concentrated on the main new features of the system.

We can go into further detail based on your questions later.

Two additional points being discussed are a widening of the network of entities or agencies that work with the GEF including international organizations, national agencies and qualified NGOs; and a further streamlining of the project cycle.

In order to further enhance country ownership we will also encourage countries to undertake a project identification exercise. In simpler terms, once a country knows its national allocation it can decide how it wants to spend the money and what project ideas will be developed. This can be done in the context of an existing or new committee made up of a wide range of stakeholders, including convention focal points. And, if necessary, the GEF will provide funding for this process. Let me stress that this is not an imposition nor is it a precondition for accessing the funds. It is merely recognition of the results of the evaluations that show that countries that do this get better results.

The GEF also wishes to improve its accountability to the CoP. Here are some ideas of how to do that:

- 1) Periodic and frequent consultations between the GEF and the Convention secretariats, including more engagement during the replenishment process.
- 2) Greater interaction between the GEF and the Conventions in developing and implementing Convention guidance.
- 3) Systematic participation of convention focal points and convention secretariats in national dialogues and other meetings under the Country Support Program.
- 4) Participation of the GEF, to the extent possible, in the various workshops organized by the conventions,
- 5) Refinement of GEF reporting to the conventions, and
- 6) Sharing the outcomes of portfolio identification exercises with the Conventions.

I think it is worth noting at this point that during GEF 4 Latin America received a total of over 91 million dollars in Climate Change with UNDP, the World Bank and the IDB as the main agencies you have worked with. To increase this we must increase the overall replenishment of the GEF.

If we look at this in the context of the current discussion of a post 2012 set up, we need to be aware that any new financial mechanism will take time to negotiate, construct and develop. In the meantime, we need to continue to work and this is why a very good replenishment of the GEF is so important to all of us. If you ask for it here you are likely to get it.

Remember that the GEF is subject to CoP guidance and has acted accordingly. The LDCF and SCCF have been set up as a result of CoP guidance and we have proposed that they be replenished in parallel to the trust fund to ensure predictability. The resources of the GEF are verifiable. All its documents and projects are online for all to see. The project cycle has improved very considerably to the point where we have barely any resources in the trust fund that have not been programmed. And looking to the end of GEF4 we have more projects coming in than we believe we will be able to finance. So your demand for projects is intense, so should your demand for a strong GEF replenishment. We do not know yet the level of the coming replenishment so you have a chance at this meeting to have a strong say and impact on this question. I encourage you to use it.

