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Fourth GEF Assembly  
Punta del Este, Uruguay  
May 24-28, 2010

Agenda Item 18

## **SUMMARY OF ROUNDTABLES**

## **Introduction**

1. The Fourth Assembly of the Global Environment Facility (GEF) was held in Punta del Este, Uruguay, during May 24-28, 2010. Delegations from 181 countries, GEF Agencies, civil society organizations, and other stakeholders participated in the Assembly. Six simultaneous roundtables discussed two themes identified under GEF-5 reforms: (i) enhancing country ownership; and (ii) improving the effectiveness and efficiency of the GEF. This summary contains the main issues that were deliberated at these sessions

## **Governance**

2. Participants appreciated that the GEF is an important financial mechanism and has a different space in the international financial architecture, given that it supports implementation of the principles agreed on at Rio. However, some felt that the GEF is a donor structure, and that the Council is increasingly taking precedence over the Assembly in terms of key strategic decisions.

## **Country Drivenness**

3. There was overwhelming consensus that country ownership, including of projects financed by the GEF is a determinant of success. Country ownership is first and foremost a national issue and is a fulfillment of countries' responsibilities. However, some participants felt that the regional aspects of environmental problems are also important.

4. Several countries emphasized that the GEF should continue to devolve control over the project identification process to national level. Countries reiterated the need to have GEF programming coordinated with national plans and policies for human development and poverty reduction strategies. Some countries wanted to know how the Council intends to implement the principles of the Paris Declaration given the fragmentation of funding sources. Some participants called for better coordination between GEF and other donors.

5. The focal point system should be reformed to encourage more institutional depth in the engagements between the GEF and the countries. The GEF could also help develop focused national expertise to help understand the GEF, and prepare and implement GEF projects. There is need to ensure that convention focal points are more engaged in the GEF. However, there were also views that since the GEF is a financing facility, there should be a balance in the functions that the GEF can undertake, since there are specialized agencies well-equipped to undertake the capacity building task.

6. Countries with greater capacity expressed the view that they should be "the masters of projects," and the GEF should respect country conditions and develop its strategies in line with national priorities. National programming exercises should be strictly optional and not be prescriptive. To avoid confusion, GEF operational focal points should mediate the information flow between national counterparts and GEF Agencies. Further, consistency in communications between the GEF Secretariat and countries is essential. Some countries expressed the need to communicate and work with the GEF in different languages.

7. However, countries also recognize that in many cases they lack capacity or means of coordination necessary for projects to fully reflect national priorities and policies.

## **Capacity Building**

8. Capacity building with relation to GEF programming should be re-examined. GEF should distinguish more keenly between countries with different capacities in deciding terms of engagement, for example, post-conflict countries, SIDS, LDCs, and other vulnerable countries may need more assistance with the preparation and implementation of GEF projects.
9. Countries with weaker capacity expressed the view that the national steering committee system should be reviewed to make them functional and inclusive of entities that are competent in the various GEF focal areas. Further, the steering committee system should be well embedded in the national institutional structure. National portfolio framework exercises (PFEs) will enable countries to achieve a more constructive alignment with national programs and planning. PFEs offer a unique opportunity to utilize GEF resources for those countries that need help in financing this exercise.
10. An overarching recommendation was that GEF should act as a platform to facilitate information exchange among the recipient countries through regional seminars, dialogues, etc, to foster South-South cooperation and as a means to build capacity.

## **Financing Issues**

11. Co-financing continues to be a barrier particularly for LDCs and NGOs that seek GEF financing. Some participants felt that rules regarding co-financing are poorly understood and this itself creates a barrier. NGO representatives presented information on the declining participation of CSOs in the GEF portfolio, while advocating that country ownership needs to go beyond government agencies to include NGOs and other stakeholders. Similar support was expressed for the consideration of private sector participation in GEF programming. While the GEF resource allocation system has improved country ownership of GEF programming, small countries find that GEF Agencies are generally not interested in working with countries with smaller allocations. It is important to have flexibility in the use of funds under the allocation system for countries with small allocations. There was a call for greater transparency in terms of information on and in the use of agency fees.
12. The Small Grants Programme (SGP) has a role to play in building ownership because of the opportunity it presents for multi-stakeholder engagement at the national level, including grassroots communities that can also be empowered in the process. The GEF needs to strengthen this program, especially in the LDCs, and grant amounts should be further increased. Countries should also consider augmenting the SGP allocation with their own STAR resources. Finally, experience with the SGP can help build the capacity of civil society and indigenous organizations to develop and participate in larger scale projects.

## **Balance between GEF Priorities**

13. Several countries criticized greater attention given by the GEF to funding mitigation at the expense of adaptation, implying that a donor-driven interest underlies this lack of

balance, and the fact that GEF is only primarily focused on generating global environmental benefits.

### **GEF Agencies**

14. Participants called for a higher level of harmonization among agencies because there are significant differences in the procedures followed by agencies for GEF projects. This confusion is more pronounced for projects where more than one agency is involved – often it is difficult to know who is in charge. Some participants felt the need for to encourage agencies to undertake projects in SIDS and LDCs. However, others felt that the 10 percent fee agency is excessive.

### **Direct Access**

15. Some countries acknowledged direct access as a good step in making operations more efficient. But, direct access should be implemented taking into consideration country circumstances, particularly in LDCs and SIDS. Many countries emphasized the need to enhance the role of national entities in determining priorities, developing project ideas and in implementing projects. Some other countries indicated that there are several national organizations that can meet the GEF fiduciary standards. While welcoming potential additional agencies, including country entities, it is essential to balance complexity and costs.

### **Project Cycle**

16. The participants felt that the procedures for accessing GEF resources are too complex. Although the participants acknowledged that the project cycle has shortened, they felt there is scope for further streamlining and making it more transparent. They also expressed that to make the GEF operations efficient, the fiduciary and reporting requirements for projects should be aligned with the size of GEF investment and the risks involved. Particular attention needs to be paid to streamlining the project cycle for medium-sized projects.

### **GEF Visibility**

17. Many participants felt that although the GEF supports important environmental initiatives, due to lack of national level presence many times its contributions go unrecognized. They felt that the GEF should have an identity at the national level so that GEF projects and the GEF have more visibility.