

MVOTMA Ministry of Housing, Land Management and Environment

Montevideo, July 2010

#### PROCEDURES TO IDENTIFY GEF PROJECTS (2010-2014)

In 2010 during its Fifth Replenishment, the Global Environmental Facility (GEF) discussed procedures to identify country projects. Since the Facility was established, and at different political and institutional times, the country used different approaches to determine which projects were priority and therefore required support. This year the Ministry of Housing, Land Management and the Environment, through the National Office of the Environment (DINAMA), decided to institutionalize the discussion. Uruguay followed the National Portfolio Formulation Exercise model, proposed by the GEF Secretariat in 2010, albeit without strictly following its dynamics.

In 2005/06 the government had decided to make biodiversity preservation and energy its priority areas. Accordingly, it supported the establishment of a National System of Protected Areas (DINAMA and UNDP). Uruguay also approved a project to monitor coastal fisheries based on an ecosystem approach, with the National Office of Water Resources Management and FAO, as well as two energy projects: 1, Wind Energy, executed by the National Office of Energy Management and UNDP; and 2, the Biomass project by DINAMA and UNDP. During the GEF4 period (2006-2010) the government also approved and managed two projects outside the priority areas: FREPLATA II (international waters) and PCB Management (DINAMA and UNDP).

It was also decided that, during this period, no projects involving GEF grants linked to multilateral institutions loans would be accepted because this would make the sovereign choice on how to use the environmental funds available more difficult.

Since the GEF's new System for Transparent Allocation of Resources (STAR) was set up at the time of the Fifth Replenishment and at the beginning of a new government administration, it was decided to undertake an exercise along the lines of a "National Portfolio Formulation Exercise". To gain time, it was decided to carry out the exercise using MVOTMA's own funds without resorting to the financial mechanism provided by GEF-Sec.

Beyond its usefulness for the GEF, the opportunity to hold discussions first within the Ministry and then among the ministries to determine national priorities was considered to be the best way to address the issue within the government. Once the government priorities were established, it was deemed convenient to share these with civil society, the UN agencies and other stakeholders adding transparency to the system and to avoid any future misunderstandings.

In the case of Uruguay the participation of the Ministries of Agriculture and Livestock; Industry and Energy; Finance; Budget and Planning and MVOTMA was imperative (Public Health and others could join later). The participation of civil society through the Small Grants Program would be

significant though probably not the only way to cooperate with other stakeholders as long as they would embrace the definition of priorities. This is why the NGO Environmental Network and other environmental organizations were invited to participate in the process.

The following agenda was discussed:

Proposed activities

DINAMA Coordination Meeting

The first step was to identify the needs and priorities within DINAMA in the various GEF focal areas and those of interest to DINAMA.

Participants: DINAMA Directors and the Division and Program Directors.

Date of meeting: July 30, 2010

Coordination Meeting within the Ministry

To identify and agree within MVOTMA on needs and priorities regarding the various GEF focal areas and those of interest to the Ministry.

Participants: Minister, Vice Minister, National Director of Water and Sanitation, National Director of Land Management and DINAMA

Date of meeting: August 6, 2010.

Inter-ministerial Coordination Meeting

To agree among the different Ministries on the potential projects to be submitted to the GEF for 2010-2014. To identify and agree on areas, funds distribution, and to identify prospective agencies.

Participants: Ministers

Date of meeting: August 13.

Participatory workshop

To work on a project portfolio outline developed at the inter-ministerial meeting using a participatory process.

Participants: All the Ministries concerned, civil society organizations, agencies.

Date: December 10, 2010