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Fit for the Future - Reforming the GEF

Global Environment Facility
Investing in our planet

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Is the GEF still Unique?

Interpretation:

- Why have donors created a multitude of new funds instead of investing in the GEF?
- Has the GEF fulfilled its mandate?
- Do donors have doubts about the capacity of the GEF as (the) operating entity for the Rio Conventions in future?
- Can the GEF be reformed to become more dynamic, responsive and accountable?

What do North and South want?

Currently in discussion:

- Reformed financial mechanism for the UNFCCC
- Governance structure (equitable representation in decision making) and institutional setup
- Discussion on operating entity(-ies) for FM
- Access options (direct versus indirect access)
- Fiduciary standards for use of funds by accessing institutions
- Amount of financing needed for adaptation, mitigation, TT
- Delivery methods (e.g. grants, loans, risk guarantees)
- Role of emerging carbon market

What does the GEF offer?

- Operating entity under the UNFCCC
- Operating entity for multiple Conventions (integrated approach to addressing global environmental challenges)
- Incremental financing under the GEF Trustfund
- Partnership setup (10 multilateral agencies)
- Country-driven approach
- Governance structure - compromise between North and South
- Fiduciary standards for accessing entities
- Grant and concessional financing
- Operates other funds (SCCF, LDCF, Secretariat for the AFB)

GEF Reforms to meet new Needs

Need to change GEF into a more responsive, effective and results-oriented institution

- GEF-5 replenishment negotiations combined with strategy formulation and reform agenda:
 - Responsive to Conventions, incl. UNFCCC
 - Governance changes (e.g. Convention representation)
 - Access options (direct/indirect)
 - Substantial replenishment for the TF
 - Innovative financing mechanisms
 - Results-based management
 - Enhanced country responsiveness
 - Private sector engagement
 - Link to emerging carbon market



GEF for the 21st Century