



## HIGHLIGHTS FROM THE GEF ASSEMBLY 1 APRIL 1998

Participants at the first GEF Assembly heard opening statements and discussed the Overall Performance of the GEF, Lessons Learned and the Policies, Operations and Future Development of the GEF. Eighteen Representatives of GEF Member governments addressed the Assembly and the Panel of Eminent Persons on the Global Environment and Sustainable Development was convened.

### OPENING PLENARY

Yashwant Sinha, Finance Minister of India, welcomed dignitaries and delegates to the Assembly. He said the next three days will set the road map for the GEF's future and stressed the importance of making the GEF responsive, flexible and efficient.

In his inaugural address, Atal Behari Vajpayee, Prime Minister of India, said the 20<sup>th</sup> century has witnessed a rapid globalization of environmental destruction, which requires the reestablishment of environmental ethics from traditional societies, such as those observed in India for centuries. He stressed the need for new partnerships to ensure sustainable development and noted that strategies must differ in developed and developing countries. He commended the adoption of many international environmental treaties but deplored the dearth of initiatives to address developing country problems. He said environmental protection must be made into a peoples' movement and underscored the importance of education as a prerequisite for economic development and social and legal frameworks for environmental improvement.

Mohamed El-Ashry, CEO/Chairman of the GEF, remarked that the Assembly is a milestone for the GEF. He highlighted progress but said much remains to be done to educate, enable and engage people to protect the environment and promote sustainable development. He said the GEF must evolve into a more representative, participatory, transparent, effective and strategic organization, and underlined the importance of GEF partnerships with governments, NGOs and the private sector for financial and non-financial contributions.

On behalf of UN Secretary-General Kofi Annan, UNEP Executive Director Klaus Töpfer welcomed participation of NGOs, the private sector and the scientific community in the UN's work. He said the GEF has proven to be an innovative financial mechanism and the implementing agencies (IAs) have demonstrated that collaboration within the UN system can be effective.

Gus Speth, UNDP Administrator, underscored that global environmental protection must be integral to the development of healthy local economies. UNDP is taking steps to incorporate global environmental concerns into its operations by: assessing Country Cooperation Frameworks to identify global environmental impacts and opportunities; instituting a system to track biodiversity, climate change and international waters components of UNDP projects to ensure better coordination, facilitate information sharing and mobilize co-financing; and providing GEF training to operational staff in 100 country offices. He highlighted examples of the 250 GEF Council-approved projects in UNDP's portfolio.

Caio Koch-Weser, World Bank Managing Director, on behalf of Jim Wolfensohn, World Bank President, noted accomplishments of the GEF and World Bank partnership, including an increase in technology transfer and generation of public and private co-funding for

projects. He said the most important lesson is that actions to help the environment often enhance national sustainable development and reduce poverty. He stressed the importance of cooperation among the GEF's IAs and the strategic importance of partnerships.

UNEP Executive Director Klaus Töpfer said UNEP's medium- and short-term projects include the proposed creation of a joint UNEP-UNCTAD Intergovernmental Panel on Economic Instruments for Environmental Policy and the development of a coordinated international response to forest fires in South East Asia. He noted the GEF's flexibility in providing funds for the latter. UNEP's long-term agenda will focus on issues related to urban settlements, water, chemicals and the development of economic instruments. He quoted Mahatma Gandhi: "The earth provides enough to satisfy every man's need, but not every man's greed," and expressed hope that this wisdom would guide participants.

Nitin Desai, UN Under-Secretary-General for Economic and Social Affairs, said it is appropriate that India host the Assembly, given its long-standing tradition of philosophical belief and social activism in environmental issues. He highlighted strengths of the GEF that make it an exemplary model for future development cooperation: the Council structure's balance between developing and developed countries; its benefit from guidance by the Convention COPs and other UN bodies, which provide democratic input and relevant expertise; and its representation of a new alliance between the Bretton Woods organizations and the UN.

Participants elected Yashwant Sinha (India) as Chair of the Assembly and Soumaila Cisse (Mali) and Poul Nielson (Denmark) as Vice-Chairs. The Assembly adopted the rules of procedure (GEF/A.1/3) and the provisional agenda (GEF/A.1/1).

Michael Zammit-Cutajar, UNFCCC Executive Secretary, outlined recent developments in the UNFCCC relationship with the GEF, including the adoption, in December 1997, of the Kyoto Protocol and the Annex to the Memorandum of Understanding on the determination of funding necessary and available for Convention implementation. He stressed that the Kyoto Protocol will have substantial environmental and economic impacts and should generate substantial new flows of private capital through its economic instruments. He emphasized the UNFCCC Secretariat's commitment to nurturing the "climate change partnership" with the GEF and other institutions.

Desmond Mahon, on behalf of Calestous Juma, Executive Secretary of the CBD, stressed the GEF's central role in the CBD's rapid transition from agenda-setting to national implementation. He noted the important contribution of the GEF and its IAs to enabling activities under the CBD, including funding for Parties' national reports. He highlighted the GEF's allocation of US\$418 million to biodiversity activities over the last three years and funding to over 100 Parties for national biodiversity strategies and action plans.

K. Madhava Sarma, Executive Secretary of the Secretariat for the Vienna Convention and the Montreal Protocol, noted GEF assistance for projects and activities for phasing out ozone-depleting substances (ODS) in East European countries not eligible for assistance from the Multilateral Fund. He noted that full recovery of the ozone layer is possible by 2050 if the Protocol is fully implemented. He highlighted remaining challenges, including non-Parties, illegal trade of ODS and the phase-out of ozone-depleting chemicals in developing countries.

Hama Arba Diallo, Executive Secretary of the CCD, noted that the GEF can finance projects related to desertification and land degradation as they relate to the GEF's four focal areas, which has constrained the mobilization of resources to combat land degradation. He called for cooperation between the CCD, CBD and UNFCCC Secretariats in identifying criteria that would meet the needs of the three conventions and could be supported by the GEF mandate. He noted that drylands are vast carbon reserves and have the potential to be carbon sinks.

Pier Vellinga, Chair of STAP, stated that STAP's mission is to ensure that the GEF and implementing countries have the best scientific and technical information available. He stressed the important interface between the international scientific community, scientific bodies of conventions, the GEF and its Member countries. He noted that many conventions are based on partial scientific understanding and emphasized the importance of mobilizing the international scientific community.

On behalf of NGOs, Anil Agarwal, Centre for Science and Environment (India), recommended, *inter alia*: strengthening the GEF's learning culture; mainstreaming the global environment in the IAs' regular portfolios; increasing the number of IAs to foster a more competitive atmosphere for project selection; coordinating environmental funding among multi- and bi-lateral institutions; merging action on the Rio and Copenhagen agendas; and recognizing the role of NGOs and local communities as project implementors and external watchdogs. He noted difficulties in the incremental costs concept and in differentiating between the local and global environment.

### OVERALL PERFORMANCE OF THE GEF

Jarle Harstad, GEF Senior Monitoring and Evaluation Coordinator, emphasized the need for a vigorous monitoring program and for sharing of experience among actors. Gareth Porter, team leader for the Study of GEF's Overall Performance, reviewed its findings, including successes in developing new institutional arrangements and an operational strategy and advancing stakeholder participation in GEF projects. The GEF had not been as successful in mainstreaming global environmental issues into the IAs' regular operations, and he suggested ways to strengthen the focal point system, improve incremental cost calculation and shorten the project cycle. The Study suggests that the Council define "new and additional resources" and develop indicators to use in calculating their level. M.S. Swaminathan, Chair of the Study's Senior Advisory Panel, expressed concern regarding the long-term sustainability of GEF-supported projects and endorsed the call for countries to form broad-based environmental consultative groups to facilitate coordinated strategies and define national priorities. He supported the proposal to develop a GEF working group to make the concept of incremental costs transparent and understandable. He stressed the need to strengthen partnerships and enhance participation and advocated establishing media resource centers to share information and lessons learned.

### POLICIES, OPERATIONS AND FUTURE DEVELOPMENT OF THE GEF

Mohamed El-Ashry, CEO/Chairman of the GEF, presented the CEO Report on the Policies, Operations and Future Development of the GEF (GEF/A.1/8). He said the GEF has become a more broadly representative, participatory, transparent, effective and strategic organization. He highlighted the establishment of GEF trust funds, increase in Member countries, leveraging of additional funds, capacity building in developing countries, inclusion of NGOs in project design and implementation, and collaboration with the private sector, especially in technology transfer.

### STATEMENTS BY REPRESENTATIVES

Many Representatives highlighted projects and shared experiences from their countries, including: development of national action plans on rivers and biodiversity conservation (INDIA); a national biodiversity strategy and a regional environmental information project (CENTRAL AFRICAN REPUBLIC); the need to develop a sustainable plan for the Niger River (MALI); a national environmental program that takes into account stakeholders' needs (TOGO); a biodiversity project for Lake Tanganeeka (BURUNDI); pollution control for inland waters and a climate change program to determine national emissions (MALAWI); and a photovoltaic project for household use (ZIMBABWE).

Several speakers commented on the GEF project cycle. UGANDA called for an acceleration of the process and streamlining IAs' methods of appraising and approving projects. EGYPT emphasized the need for wider dissemination of GEF project proce-

dures and operational guidelines. BANGLADESH said the allocation of funds should be based on issue priority rather than country size and, with INDIA and COLOMBIA, called for simplification of the project approval procedure.

Some speakers proposed additional areas on which the GEF might focus its efforts, such as: agro-biodiversity (UGANDA); new and emerging technologies (INDIA); and land degradation and desertification (MALAWI, UZBEKISTAN, ZIMBABWE and EGYPT). FRANCE said the GEF should develop and diversify its project portfolio, especially in the areas of international waters and desertification, and hoped the GEF could benefit from the conclusions of the Ministerial Conference on Water and Sustainable Development recently held in Paris.

Many speakers emphasized the need to ensure that projects are country-driven. JAPAN said each developing country should develop projects according to policy priorities and recommended that the GEF promote greater awareness of itself to further strengthen project development coordination and capacity building. UGANDA, EGYPT and BANGLADESH also stressed the importance of capacity building and EGYPT advocated using available local and regional expertise in GEF projects. ZIMBABWE said stakeholder involvement in the entire project cycle ensures greater project ownership and sustainability. MADAGASCAR stressed the importance of involving local decision makers and suggested creating local chapters closer to the recipient population. NIGERIA and ZIMBABWE supported the development of a viable GEF outreach and communication strategy. UZBEKISTAN and COLOMBIA welcomed the recommendation to strengthen the function of focal points.

Several delegates stressed the need to further clarify the concept of incremental costs. UGANDA called for guidelines to determine the global significance of projects. INDIA and COLOMBIA called for flexibility and pragmatism. Numerous speakers emphasized the importance of mainstreaming the global environment into the IAs' regular operations. JAPAN suggested that each IA formulate its own mainstreaming strategy. DENMARK emphasized that governments must mainstream environmental concerns into all policies. The US said environmental protection must be mainstreamed into international institutions as well as countries' economies and development plans. The NETHERLANDS said the ultimate goal is to mainstream global environmental concerns into the daily activities of multilateral organizations, national authorities and development cooperation agencies.

Numerous Representatives welcomed the recent second replenishment of the GEF. Several developing countries expressed appreciation for GEF support for projects in their countries. Many developing countries emphasized that GEF funds are inadequate compared to demand and requested further support. INDIA expressed concern that ODA funds are being diverted to the GEF. The US said the GEF should play an increasing role in generating public and private funds for economic and environmental "win-win" situations and should cooperate with the private sector not only to leverage funds but to increase effectiveness. JAPAN recommended better use of co-financing to enhance the GEF's catalytic function.

### PANEL OF EMINENT PERSONS

Chaired by Birgitta Dahl (Sweden), the Panel of Eminent Persons on the Global Environment and Sustainable Development consisted of M.S. Swaminathan (India), Crispin Tickell (UK) and Mostafa Tolba (Egypt). Swaminathan focused on biodiversity, stressing the linkages between food security, population pressures and biodiversity resources. He emphasized the need to incorporate dimensions of ethics and equity in the 1999 review of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and its impact on local communities. Reviewing the situation in Egypt, Tolba stated that demands for freshwater would be a central element in future transboundary conflicts. Tickell highlighted the need to examine impacts of population pressures and increased energy demands on climate change.

### THINGS TO LOOK FOR TODAY

**PLENARY:** Participants will meet from 9:00-19:00 in the Plenary Hall to hear statements by Representatives and consider the Status of the GEF Trust Fund and the Report on Membership.

**PANELS:** The following panels will convene in Hall 5: Efforts toward Sustainable Development from 9:15-10:45; Science and the Global Environment from 11:00-13:00; GEF in the 21<sup>st</sup> Century from 15:00-16:30; and Parliamentarians and the Global Environment from 17:00-19:00.