



## HIGHLIGHTS FROM THE GEF ASSEMBLY 2 APRIL 1998

Participants at the first GEF Assembly heard statements from Representatives of 53 GEF Member governments and considered the Status of the GEF Trust Fund and the Report on Membership. Panels on Efforts toward Sustainable Development, Science and the Global Environment, GEF in the 21<sup>st</sup> Century, and Parliamentarians and the Global Environment also met.

### STATEMENTS BY REPRESENTATIVES

CANADA and the UK highlighted the Council's recent endorsement of the GEF's second replenishment and expressed support for the accompanying policy recommendations, which call for: GEF activities to be more country-driven and based on national priorities; greater mainstreaming of GEF objectives in IAs; new modalities for cooperation with the private sector; a strong monitoring and evaluation function and clear performance indicators; participation of a wider range of executing agencies; and reaffirmation and clarification of the incremental costs principle.

PERU commended the second replenishment as a clear signal of resolve to strengthen the GEF's important funding of global environmental benefits and of hope for greater assistance in the future. CHINA regretted that the amount of funding pledged to the replenishment was not larger and requested that donors meet their obligations without delay. TRINIDAD AND TOBAGO stressed the need for regular and predictable replenishment. GERMANY said the replenishment is impressive given the difficult budgetary situation in many countries. TUNISIA expressed concern that financial flows to the GEF did not measure up to commitments. URUGUAY said financial commitments must be met and expanded to keep pace with the demands of new environmental problems. PANAMA noted that GEF resources are to be considered additional and should not supplant other assistance.

AUSTRALIA stressed the need to explore innovative market mechanisms, such as the Clean Development Mechanism under the Kyoto Protocol, and to focus attention on other sources of GEF co-financing at the national level. NORWAY said the task of implementation should eventually be picked up by other agents, including the market. CHILE supported the use of economic incentives and market mechanisms to involve the private sector. THAILAND supported greater involvement of the private sector to mobilize increased co-financing and exploration of modalities for its participation. ITALY urged the GEF to catalyze demonstration projects for possible replication, especially through private sector involvement and use of energy efficiency technologies.

IRELAND called for improved efforts to draw on lessons learned from project implementation, enhance cooperation between IAs, consider long-term project sustainability, and increase private sector and stakeholder involvement. CÔTE D'IVOIRE stressed the importance of transparency, stringent management of GEF resources, and adaptation of GEF structures to conform with the changing demands of international cooperation and globalization. The REPUBLIC OF KOREA highlighted the need for continued evolution and restructuring of the GEF to promote transparency, participation and flexibility. GUATEMALA

concluded, adding the importance of communication between representatives. The PHILIPPINES said the track record of GEF projects creates convincing arguments in support of the GEF.

Numerous Representatives recommended shortening the project cycle and streamlining project approval procedures. BRAZIL highlighted the need for greater transparency in this regard. RUSSIA said distribution of funds should be more pragmatic and based on sharing of responsibility. BELGIUM said GEF's challenges include long-term project viability and maintenance of flexibility. IRAN said post-project sustainability could be improved by harmonizing GEF objectives with national priorities.

Several countries, including CANADA, SWITZERLAND, ITALY, FINLAND and VIETNAM, stressed the importance of confirming the GEF as the permanent financial mechanism of the UNFCCC and CBD. NAURU, on behalf of Pacific Island Country Participants, stressed the need to define the relationship between the GEF and the Kyoto Protocol's Clean Development Mechanism.

PAKISTAN highlighted the inadequate capacity of national focal points to fulfill their responsibilities. ARGENTINA supported strengthening the system of national focal points to disseminate appropriate methodologies and to help coordinate national activities. BELIZE underscored the importance of coordination between political and operational focal points at the national level. LAOS proposed that national focal points for the GEF, World Bank and UNDP improve their coordination to assist in overall project planning and suggested convening regular regional workshops for GEF national focal points to share information on GEF policies and exchange experiences on lessons learned. SOUTH AFRICA recommended inter-constituency meetings between GEF Council sessions to provide additional input and share information. EL SALVADOR suggested rotating representation of GEF Members for its constituency.

CAMEROON stated that training of national experts and their direct involvement in projects should be mandatory. PORTUGAL supported the call for a communication and outreach program for the GEF. THAILAND stressed the need to develop an effective outreach program to familiarize government officials and stakeholders with the GEF's objectives and procedures and recommended that STAP be used to develop linkages with the global scientific community. ARGENTINA proposed that the GEF finance activities in the field of scientific research, especially in the area of ozone depletion, and underscored the need for STAP to cooperate closely with the scientific bodies of the conventions.

KENYA stated that the GEF focal areas are too restrictive and that land degradation deserves adequate consideration. ALGERIA recommended that the GEF explicitly recognize desertification and drought in their programming. CAMEROON requested the GEF to focus on soil degradation. FINLAND supported future GEF work on freshwater and land use practices. UKRAINE and LATVIA underscored the funding needs of countries with economies in transition and highlighted their ability to demonstrate cost-effective use of GEF funding. PAKISTAN suggested focusing GEF resources on new areas such as health, education and water. GHANA emphasized the need to assist countries in the development of water/river management plans and clarify the linkages between land degradation and other focal areas. IRAN supported expanding the focal

areas to include afforestation and desertification. COSTA RICA called on the GEF to concentrate new efforts in urban management and coastal and maritime management.

Several speakers supported the recommendation for a strong monitoring and evaluation (M&E) system, including SWEDEN, the REPUBLIC OF KOREA, AUSTRALIA and NORWAY. NEW ZEALAND said an assessment of GEF's impacts should be completed by the third replenishment. SWEDEN recommended that high priority be assigned to the development of performance indicators. IRAN said closer examination of project cost-effectiveness could increase the effectiveness of GEF programs. SPAIN called for greater attention to the project analysis phase. MEXICO said M&E and follow-up mechanisms must be strengthened and allow for analysis of incremental costs. BRAZIL and THAILAND recommended that the concept of incremental costs be more flexible and easier for recipient countries and IAs. CHINA said recipient countries should play a larger role in incremental cost determination. SWITZERLAND said application of the principle should reflect simplicity and pragmatism.

Several delegates, including SWEDEN and NEW ZEALAND, noted the need to mainstream GEF objectives in the operations of the IAs as well as multilateral and bilateral institutions and national governments. CHILE and URUGUAY called for mainstreaming in the private sector. CHILE also recommended periodic assessment of the results of such mainstreaming. GERMANY said the GEF's success hinges on political support for mainstreaming environmental concerns in both recipient and donor countries. CHINA cautioned against imposing conditions on funds under the guise of mainstreaming. SWITZERLAND suggested that the Council develop a definition regarding mainstreaming in the IAs.

KENYA suggested incorporating multilateral and regional development banks as implementing rather than executing agencies. BRAZIL said it is unnecessary to add new IAs to the existing three. CUBA called for closer links between the GEF and other UN organizations such as WHO and UNIDO. MEXICO said new agencies might need to be called upon to administer small- and medium-sized grants. COSTA RICA noted the positive role of small national projects by NGOs and, with KENYA, recommended strengthening the small grants program. KENYA also called for outreach to local NGOs. POLAND said GEF funding for projects implemented by NGOs deserves further attention.

NAURU, on behalf of Pacific Island Country Participants, advocated a regional approach to delivery of the small grants program. SLOVENIA noted that sub-regional projects benefit the environment and encourage cooperation between neighboring states. CUBA supported regional and sub-regional programmes. TUNISIA appealed to the GEF to support projects in the Mediterranean region. Several speakers, including AUSTRALIA, NEW ZEALAND and NAURU, said the GEF must continue to find cost effective ways to help small island States.

A number of speakers highlighted projects in their countries, including: a national biodiversity inventory and a regional inventory of land- and marine-based pollution sources (GUINEA); a photovoltaic program for households (INDONESIA); extension programs for ranching and biodiversity conservation (CÔTE D'IVOIRE); efforts to address oil pollution in the Southwest Mediterranean (ALGERIA); conversion of aerosol manufacturers to ozone-friendly production (RUSSIA); the need for programs to protect watersheds (NIGER); and a regional water management project for the Caspian Sea (KAZAKSTAN).

#### REPORT ON GEF TRUST FUND

Mohamed El-Ashry, CEO/Chairman of the GEF, presented the Report on GEF Trust Fund (GEF/A.1/9), which details GEF allocations from July 1994-March 1998. On 24 March 1998, governments reached agreement to replenish the GEF at \$2.75 billion. Of that amount, 2.67%, or \$73.46 million, remains unallocated. He expressed confidence that such funds would be mobilized.

#### REPORT ON MEMBERSHIP

El-Ashry also presented the Report on Membership (GEF/A.1/10), which lists those governments participating in the restructured GEF and the dates of deposition of their Notifications of Participation. In addition to the 161 countries listed, he welcomed the addition of Burundi, Gabon and Kazakstan, bringing the total to 164.

#### PANELS

**EFFORTS TOWARDS SUSTAINABLE DEVELOPMENT:** This panel, organized by the Indian Government, opened with a multi-media presentation detailing the development pressures and environmental challenges facing India, such as poverty alleviation, water scarcity, air pollution, waste management and land degradation, and reviewed legislative and project-oriented initiatives the country is pursuing. Panelists raised a number of concerns regarding GEF policies, including the inadequacy of current incremental cost calculations, the length of the project cycle and the inseparability of global environmental benefits from the local context. Recommendations for the GEF included forming regional and national rosters of experts for GEF-related activities (e.g., calculation of incremental costs) and devoting increased attention to transportation, construction and water issues. Also highlighted were India's promotion of alternative energies such as biogas, micro-dams, wind power and photovoltaics and challenges to reducing the environmental impacts of coal-based power production.

**SCIENCE AND THE GLOBAL ENVIRONMENT:** In this panel, STAP members discussed linkages between economic development, environmental degradation and resource use and the importance of integrating global environmental issues. A new paradigm for sustainable use of biodiversity based on an ecosystem approach that integrates community empowerment, market tools and understanding of underlying ecological processes was detailed. The restructuring of the energy industry and the rapid rate of progress for environmental energy technologies were addressed, along with their potential to make clean and safe energy sources widely available in ten to fifteen years. Panelists also discussed global and transboundary environmental problems in both freshwater and marine ecosystems, STAP's work towards a Global International Water Assessment, and new information technology to improve performance of GEF projects in international waters.

**GEF IN THE 21<sup>ST</sup> CENTURY:** This panel was organized by NGOs. Panelists addressed: mainstreaming sustainable development into the IAs and other institutions and NGOs' critical role in applying pressure in this regard; involvement of local communities in decision making and project design; the relevance of local knowledge for sustainable development efforts; and lack of consistency across projects and within environmental ministries at the national level. One panelist said GEF efforts are asymmetrical because they address efforts toward sustainable development in the South but not unsustainable production and consumption in the North. The lack of "additionality" of funding to promote sustainable development was also highlighted. Participants noted the importance of improving cooperation and coordination among NGOs and the need for quality, not quantity involvement of NGOs in the GEF. One participant stressed the need to strengthen the GEF-NGO Network so that NGOs become real members of the GEF family.

**PARLIAMENTARIANS AND THE GLOBAL ENVIRONMENT:** The Global Legislators Organization for a Balanced Environment (GLOBE) organized a panel of five current or former national legislators who discussed a variety of issues that parliamentarians face. One panelist said the American congressional system can lead to impasses when majority party policies are not supported. Other panelists discussed: responses to the changing nature of security; the importance of dialogue between national parliaments, such as the Interparliamentary Union, and within parliaments, such as a forum for sustainable development in the Indian Parliament; difficulties for parliaments in legislating transboundary issues and the need for consistency and predictable laws; and EU struggles with local versus regional environmental policy and the need for sustainable development projects to encompass fewer studies and have more concrete environmental investments.

#### THINGS TO LOOK FOR TODAY

**PLENARY:** The Plenary will reconvene to hear statements by Representatives from 9:00-10:00. The final Plenary will meet at 15:00 to adopt the Statement of the Assembly.

**ROUNDTABLE OF REPRESENTATIVES:** The Roundtable of Representatives will be held at the Taj Palace Hotel from 11:00-13:00.

**PANELS:** Panels on Media and the Global Environment and on Private Sector Responses to the Kyoto Climate Agreement will meet in Hall 5 from 9:00-10:30 and 11:00-12:30, respectively.