



HIGHLIGHTS FROM THE SECOND GEF ASSEMBLY
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**HIGHLIGHTS FROM THE SECOND ASSEMBLY
OF THE GLOBAL ENVIRONMENT FACILITY:
WEDNESDAY, 16 OCTOBER 2002**

Participants at the Second Assembly of the Global Environment Facility (GEF) heard opening statements, and discussed the Second Overall Performance Study of the GEF and the CEO's Report on the Policies, Operations and Future Development of the GEF. Twenty-four representatives of GEF-participating governments addressed the Assembly, and a Panel of the Heads of Implementing and Executing Agencies on Integrating the Global Environment and Sustainable Development was convened.

OPENING PLENARY

In his opening address, Jiang Zemin, President of the People's Republic of China, emphasized poverty eradication and economic development. Jiang stressed the principle of common but differentiated responsibilities, and noted the need for developed countries to take the lead in sustainable consumption and production and for developing countries to develop sustainably. He underscored respect for sovereignty and independence in choosing one's own development path and social system. Stating that developing countries are tasked with both poverty eradication and sustainable development, he urged, *inter alia*, reforms of international financial institutions, technology transfer and capacity building.

Mohamed T. El-Ashry, GEF CEO/Chair, outlined GEF's many successes, thanking the GEF, its participants and Implementing Agencies. Following the announcement of his intention to leave office in July 2003, El-Ashry emphasized partnerships, streamlining processes, focusing on results, and "each and everyone of us giving our all."

Speaking on behalf of UN Secretary-General Kofi Annan, UNEP Executive Director Klaus Töpfer highlighted the UN's role in addressing global problems. Noting GEF's role in implementing the outcomes of the World Summit on Sustainable Development's (WSSD), Töpfer called for sustainable development focusing on responsibility, partnerships and implementation. He remarked on the challenges and increased expectations from GEF's success, and expressed commitment of UN partners to assist the GEF in its third phase.

Mark Malloch-Brown, UNDP Administrator, stressed the need to address both poverty and environment issues in order to achieve the Millennium Development Goals (MDGs). He highlighted UNDP's role and experience in providing policy expertise and convening partners, and stated that strengthening the GEF would require: speeding project implementation; enhancing partner cooperation; promoting capacity building; and combining human, financial and technical resources to address community challenges.

Klaus Töpfer congratulated China's efforts in implementing the MDGs and noted that this Assembly is a landmark event, as it: marks the end of a successful phase; represents the first major intergovern-

mental meeting since the WSSD; recognizes land degradation and persistent organic pollutants (POPs) as new GEF focal areas; and commemorates the recent third GEF replenishment.

Speaking on behalf of the World Bank's Managing Director Zhang Shengman, Kristalina Georgieva, World Bank, highlighted the GEF's role in integrating the global environmental agenda with poverty eradication, emphasized ensuring that markets work for, and not against, the environment, and stressed efficient use of GEF funds.

Following a video prepared by the GEF, participants elected Xiang Huaicheng (China) as Chair of the Assembly. Chair Xiang called for: furthering support of the GEF, improving its efficiency, and furthering collaboration with GEF Executing and Implementing Agencies. Participants elected Tokia Saifi (France) and Imeh Okopido (Nigeria) as Vice-Chairs. The Assembly adopted the *Provisional Annotated Agenda* (GEF/A.2/2), and considered and adopted the *Amendment of the Rules of Procedure* (GEF/A.2/3), which reflects the GEF's enhanced collaboration with several organizations and provides flexibility to the CEO to invite other representatives to the Assembly.

STATEMENTS

SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP): Julia Carabias, STAP Chair, outlined Science and Technology's integrated approach to global environmental problems, remarking that conventions and agreements have typically approached environmental problems in a compartmentalized manner. She noted the need for GEF-funded projects to integrate the three pillars of sustainable development.

CONVENTIONS: Hamdallah Zedan, Convention on Biological Diversity (CBD) Executive Secretary, stated that conservation and sustainable use of biodiversity resources are essential to alleviating poverty and ensuring sustainable development. He mentioned that COP-6 objectives would not be met unless biodiversity concerns are integrated into other sectors and economic and trade policies. He urged co-financing to mobilize additional resources for implementing the CBD and Cartagena Protocol.

Joke Waller-Hunter, UN Framework Convention on Climate Change (UNFCCC) Executive Secretary, outlined GEF's challenges in supporting the implementation of the UNFCCC and Kyoto Protocol, and underlined the need for: a more focused climate change programme; facilitation of market transformation; and enhanced synergies among relevant conventions, implementing agencies, GEF-funded activities and projects based on the Kyoto Protocol's innovative instruments.

Jim Willis, Executive Secretary of the Stockholm Convention on Persistent Organic Pollutants (POPs), commended the GEF for taking prompt steps in its role as the interim financial mechanism of the Stockholm Convention, including: designating POPs as a new GEF focal area; setting relevant financial targets in the third replenishment; and funding enabling activities for POPs.

SUSTAINABLE DEVELOPMENTS

Hama Arba Diallo, UN Convention to Combat Desertification (UNCCD) Executive Secretary, commended the GEF Council's decision to designate desertification as a focal area, noting that the decision was hailed as an important step at the WSSD. Diallo recalled that the WSSD recognized the CCD as an important tool for poverty eradication and food security, and thus highlighted its role in achieving the MDG of poverty reduction.

Marco Gonzalez, Executive Secretary of the Montreal Protocol on Substances that Deplete the Ozone Layer, stated that efforts to combat ozone depletion represent international partnership, application of the precautionary principle, and manifestation of the principle of common but differentiated responsibilities. He attributed success of the Montreal Protocol to UNEP's support and highlighted GEF's timely response to the needs of countries with economies in transition not eligible under the Multilateral Fund for the Implementation of the Montreal Protocol.

Omar El-Arini, Chief Officer of the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, described the Fund's achievements and commended the cooperation between the GEF and the Fund.

EXECUTING AGENCIES: Lennart Båge, President of the International Fund for Agricultural Development (IFAD), highlighted IFAD's activities, including: identifying priority countries for IFAD-GEF collaboration; conducting information-sharing activities; and initiating ten GEF-funded projects. He stressed the need to ensure the participation of the rural poor in sustainable development. Joseph Eichenberger, Vice-President of the Asian Development Bank (ADB), acknowledged the unique capacity of regional development banks in assisting the GEF, including their ability to identify opportunities at the regional level and ensure efficient use of GEF funds. He applauded the GEF Council's May 1999 decision to expand opportunities for regional development banks and noted the 11 joint GEF-ADB projects.

UN COMMISSION ON SUSTAINABLE DEVELOPMENT: Quoting WSSD Secretary-General Nitin Desai, Kui-Nang Mak, UN Department of Economic and Social Affairs, noted the change in relationship on the macroeconomic front between the UN, World Trade Organization, international financing institutions and regional development banks. Crispian Oliver, South Africa, highlighted the implications of WSSD outcomes for the GEF, underscoring: interlinkages between environmental, social and economic development in GEF programmes; assessment of the GEF's role in implementing the WSSD Plan of Implementation; mainstreaming regional initiatives; continuing work on desertification; and increasing public participation.

NON-GOVERNMENTAL ORGANIZATIONS: Liang Congjie, Friends of Nature, on behalf of civil society organizations, highlighted the GEF's challenges in addressing the WSSD Plan of Implementation and called for, *inter alia*: strengthening of GEF's Small Grants Programme; additional contributions to the GEF; local community participation in land degradation and biodiversity-related activities; clarification of the incremental cost approach; and concrete mechanisms to ensure public participation in GEF initiatives.

PANEL OF HEADS OF IMPLEMENTING AND EXECUTING AGENCIES ON INTEGRATING GLOBAL ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Heads of delegations convened in a lunchtime panel of the Heads of Implementing Agencies (IAs) and Executing Agencies (EAs) on "Integrating Global Environment and Sustainable Development." El-Ashry highlighted the importance of the IAs and new EAs.

Zhang, World Bank, expressed the Bank's commitment to supporting, *inter alia*, ecosystems, forestry, water management, sustainable financing for conservation and renewable energy. Båge, IFAD, highlighted the significance of agriculture and rural communities in eradicating poverty and promoting sustainable development. Malloch-Brown, UNDP, underscored implementation, stressing the need for new EAs to work cooperatively not competitively, and partnerships, particularly with civil society and the private sector. Eichenberger, ADB, encouraged mainstreaming sustainable development. Töpfer, UNEP, underscored partnerships and implementable targets and timetables, highlighting those in the WSSD Plan of Implementation.

Participants discussed: funding for countries and environmental issues that do not attract private sector investments; the need to incorporate environmental dimensions into poverty eradication strategies; the costs of achieving the MDGs; accessibility of GEF funds for addressing desertification; simplification of GEF's procedures; the importance of small grant projects for promoting gender balance; and the lack of women's participation in the Panel.

SECOND OVERALL PERFORMANCE STUDY OF THE GEF (OPS2)

Leif Christoffersen, OPS2 Team Leader, introduced the results of OPS2, stating that its main purpose was to analyze GEF's effectiveness in achieving global environmental benefits. In summarizing the results, impacts and policy issues of programmes in GEF's focal areas, Christoffersen noted: GEF's responsiveness and support of the Montreal Protocol and role in achieving meaningful reductions in ozone-depleting substances; effectiveness in promoting energy efficiency and grid-connected renewable energy, and challenges faced in advancing off-grid, rural, renewable energy projects; role in improving standards in management of protected areas for biodiversity through participatory approaches; significant contribution to the implementation of existing global and regional agreements addressing protection and restoration of freshwater and marine ecosystems; and modest results in the cross-cutting programme area of land degradation.

CEO'S REPORT ON THE POLICIES, OPERATIONS AND FUTURE DEVELOPMENT OF THE GEF

El-Ashry presented the *CEO's Report on the Policies, Operations and Future Development of the GEF* (GEF/A.2/5), emphasizing progress made since the first GEF Assembly. He identified the GEF's expanded mandate, WSSD's support for the GEF, and the successful third replenishment as indicators of the international community's increased confidence in the GEF. Addressing the challenges ahead, El-Ashry stressed the need for: meaningful dialogue with the Conference of Parties to the relevant Conventions; prioritizing and focusing activities under the Conventions; incorporating GEF activities in national sustainable development strategies; mobilizing public resources; systematic performance evaluation and monitoring activities; and furthering partnerships with NGOs.

STATEMENTS BY REPRESENTATIVES

Many Representatives highlighted: concrete actions taken by their countries, with GEF's assistance, to implement the Rio Conventions and other environmental agreements; the successful conclusion of the third GEF replenishment; GEF's catalytic role in financing sustainable development; the need to increase co-financing; the increasing independence of GEF's monitoring system to ensure transparency and results; and the role of partnerships in financing environmental projects.

Several speakers welcomed: the designation of land degradation and POPs as new GEF focal areas; the designation of GEF as a financing mechanism for the Stockholm Convention; and GEF's facilitation of technology transfer and capacity building. Some speakers proposed: further simplification of GEF's procedures; greater synergy between the environmental conventions and the GEF; special attention to Small Grants Programmes; development of medium and long term objectives; protection of traditional and indigenous knowledge; greater levels of financing; and creation of additional funds.

THINGS TO LOOK FOR TODAY

PLENARY: Participants will convene in Convention Hall 1 throughout the day to hear reports on GEF's third replenishment, membership, credentials, and amendment to the GEF instrument, and statements by representatives of participants.

PANELS: Panels by the Government of China, STAP, and Eminent Persons on Global Environment and Sustainable Development will take place from 8:30 am - 12:30 pm in Hall 17A, 2:30-4:30 pm in Hall 2, and 5:00-7:00 pm in Hall 2 respectively. Check the Daily Journal for times and venues of workshops and seminars.