



**SUMMARY REPORT OF THE SECOND
ASSEMBLY OF THE GLOBAL ENVIRONMENT
FACILITY
16-18 OCTOBER 2002**

The second Assembly of the Global Environment Facility (GEF) convened from 16-18 October 2002 in Beijing, China. The Assembly gathered Ministers and high-level officials from GEF Member States to exchange views on the policies and operations of the GEF. During the three-day Assembly, delegates heard statements by the President of the People's Republic of China, the CEO/Chair of the GEF, the heads of the GEF's Implementing and Executing Agencies, and representatives of multilateral environmental conventions, the UN Commission on Sustainable Development, the Scientific and Technical Advisory Panel and non-governmental organizations (NGOs). Approximately 80 Representatives of GEF Member governments addressed the Assembly, including one President and 64 Ministers. Over 1200 participants attended the Assembly, representing 127 countries, 24 intergovernmental organizations and 134 NGOs.

During the Assembly, participants considered the Second Overall Performance Study of the GEF, the CEO'S Report on the Policies, Operations and Future Development of the GEF, Proposed Amendments to the Instrument, the Report on the Third Replenishment of the GEF Trust Fund, and the Report on Membership. A roundtable of ministers and other heads of delegations and several panels also convened. At the close of the meeting, participants adopted the Summary of the Second GEF Assembly, which includes the Beijing Declaration and a summary of the decisions of the Assembly.

A BRIEF HISTORY OF THE GEF

The Global Environment Facility is a financial mechanism that promotes international cooperation and fosters actions to protect the global environment. The GEF was created in 1991 as a result of mounting concern in the preceding decade over global environmental problems and efforts to formulate financing responses to address these problems. The Facility operated in a pilot phase until mid-1994. Negotiations to restructure the GEF were concluded at a GEF Participants meeting in Geneva in March 1994, where Representatives of 73 States agreed to the Instrument for the Establishment of the Restructured GEF.

The GEF's main decision-making body is the GEF Council, which is responsible for developing, adopting and evaluating its operational policies and programmes. It is comprised of 32 appointed Members – 16 from developing countries, 14 from developed countries and two from countries of Central and Eastern Europe and the former Soviet Union. The Council meets at least every six months. The GEF Assembly, whose primary purpose is to review the policies and operations of the GEF, meets once every three years and comprises Representatives from all Member countries, which as of 31 July 2002 totaled 173. The GEF Secretariat services and reports to the Council and the Assembly and coordinates the formulation of the work programme, oversees implementation and ensures that the operational policies are followed.

The GEF Trust Fund was replenished with approximately US\$2.92 billion at the meeting of the third replenishment held from 6-7 August 2002 in Washington, DC, and reached US\$2.97 billion after additional contributions were made. As of June 2002, the GEF has programmed US\$4 billion in project resources and mobilized an additional US\$12 billion in financing through over 1000 projects in 160 countries and some 3000 small grants.

The GEF provides grants and concessional funds to complement traditional development assistance by covering the additional or "agreed incremental costs" incurred when a national, regional or global development project also targets global environmental objectives. GEF projects are managed by three implementing agencies (IAs): UNDP, UNEP and the World Bank. Countries can access GEF funding if they: are eligible for financial assistance under the United Nations Framework Convention on Climate Change (UNFCCC) or the Convention on Biological Diversity (CBD); are eligible to borrow from the World Bank; or receive technical assistance grants from UNDP through a Country Programme. GEF projects must deliver global benefits, be country-driven, incorporate consultation with local communities and, where appropriate, involve NGOs in project implementation.

The GEF's grants and concessional funds were initially provided to recipient countries for projects and programmes in four focal areas: biodiversity, climate change, international waters and ozone layer depletion. The second GEF Assembly considered and approved the focal areas of land degradation and persistent organic pollutants (POPs), decisions that shall become effective following adoption by the IAs. The GEF currently operates the financial mechanism for the

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CBD and the UNFCCC. Following the recommendation of the GEF Council and the approval of the second Assembly, the GEF will also serve as the financial mechanism of the Stockholm Convention on POPs and will be available as a financial mechanism of the UN Convention to Combat Desertification (CCD), if the Conference of the Parties should so decide.

A GEF Council Meeting convened from 14-15 October 2002 in Beijing, China, preceding the second GEF Assembly. During this meeting, Mohamed T. El-Ashry, CEO/Chair of the GEF, formally announced his intention to leave office in July 2003. The GEF Council considered: the work programme for the third GEF phase; the fee-based system; cofinancing; monitoring and evaluation, including the terms of reference for an independent monitoring and evaluation unit; and draft elements of a GEF operational programme for prevention and control of desertification and deforestation through sustainable land management.

REPORT OF THE ASSEMBLY

Over the three-day Assembly, participants considered and exchanged views on the GEF's performance, operations and policies in Plenary sessions. A roundtable of ministers and other heads of delegation took place on Friday, 18 October, while several panels focusing on the GEF, its stakeholders and the global environment were convened from 17-18 October. During the closing Plenary, participants adopted the *Summary of the Second GEF Assembly* (GEF/A.2/CRP.2), which included the Beijing Declaration and a summary of the Assembly's decisions. This report summarizes statements made in Plenary, the panel discussions and the Beijing Declaration.

OPENING PLENARY

At the Opening Plenary, participants elected Xiang Huaicheng, Finance Minister of China, as Chair of the Assembly and 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 for the CEO to invite other representatives to the Assembly. Delegates also heard a number of opening statements.

Chair Xiang called for furthering support of the GEF, improving its efficiency and furthering collaboration with its IAs and EAs.

Jiang Zemin, President of the People's Republic of China, emphasized poverty eradication and economic development, stating that social progress and improvement of quality of life are the ultimate goals of sustainable development. Jiang underscored the principle of common but differentiated responsibilities and urged developed countries to take the lead in sustainable consumption and production and developing countries to develop sustainably. He also emphasized 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 and monetary institutions and capacity building.

Mohamed T. El-Ashry, CEO/Chair of the GEF, thanked China, the GEF, its participants and IAs, and acknowledged the success of GEF projects. He noted the GEF's outstanding third replenishment, designation as the interim financial mechanism for the Stockholm Convention, and growing influence in the CCD. Following the announcement of his

intention to leave office in July 2003, El-Ashry emphasized partnerships, streamlining the GEF's processes and focusing on results, and said "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 that require collective resources and multi-lateral cooperation. Noting the GEF's important role in delivering the World Summit on Sustainable Development's (WSSD) Plan of Implementation, Töpfer called for sustainable development based on responsibility, partnerships and implementation. He recognized the GEF's success, welcomed the third replenishment and expressed the commitment of UN partners to assist the GEF in its third phase.

Mark Malloch-Brown, UNDP Administrator, noted the WSSD's success and stressed the need to address both poverty and environmental issues to achieve the Millennium Development Goals (MDGs). He praised the Small Grants Programme for funding numerous community projects throughout the world. Malloch-Brown underscored 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, eradicating poverty and achieving social integration without compromising economic development. He stated that this Assembly is a landmark event as it: establishes the end of a successful phase and anchors the GEF's role as the key global environment financing instrument; represents the first major intergovernmental meeting since the WSSD; recognizes land degradation and POPs as new GEF focal areas; and commemorates the recent third GEF replenishment, which represented donors' confidence in the GEF to meet environmental challenges.

Speaking on behalf of World Bank Managing Director Zhang Shengman, Kristalina Georgieva, the World Bank, highlighted the GEF's role in integrating the global environmental agenda and poverty eradication, accelerating environmentally efficient markets, and ensuring that markets work for, and not against, the environment. Georgieva stressed efficient use of resources and recommended funding countries with the ability to mobilize new and additional resources. She further highlighted the importance of partnerships in accelerating technology transfer, and combining global environmental protection with business opportunity.

Julia Carabias, Chair of the Scientific and Technical Advisory Panel (STAP), stated that science and technology address global environmental problems in an integrated manner, whereas conventions and agreements have typically solved environmental problems through a compartmentalized approach. She noted the need for GEF-funded projects to integrate the three pillars of sustainable development.

Hamdallah Zedan, Executive Secretary of the CBD, stated that conservation and sustainable use of biodiversity resources are essential to alleviate poverty and ensure sustainable development. He stressed the need for: integrating biodiversity concerns into other sectors and economic and trade policies; active funding of the implementation of national biodiversity strategies and action plans; and mobilizing additional resources for implementing the CBD and Cartagena Protocol through cofinancing.

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Joke Waller-Hunter, Executive Secretary of the UNFCCC, outlined the GEF's challenges in supporting the implementation of the UNFCCC and the Kyoto Protocol and underscored 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, 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 focal area; setting relevant financial targets in the third replenishment; and funding enabling activities on POPs, such as the regional workshops programme, the Africa Stockpiles Project and projects promoting alternative technologies. He stressed a working partnership with the GEF as critical for successful implementation of the Convention.

Hama Arba Diallo, Executive Secretary of the CCD, 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. He highlighted the CCD's role in achieving the MDG of poverty reduction. Diallo stated that enhancing GEF's support for the CCD requires an integrated approach focusing on the implementation networks put in place by the Parties to the Convention.

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 and apply the precautionary principle and the principle of common but differentiated responsibilities. He highlighted UNEP's contribution to the success of the Montreal Protocol and praised the GEF's timely response to the needs of countries with economies in transition. Omar El-Arini, Chief Officer of the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, commended the cooperation between the GEF and the Fund, and outlined the Fund's achievements indicated by the: rate of financial contributions; amount of ozone depleting substances eliminated; speed of technology transfer; and stimulation of institutional and behavioral changes.

Lennart Båge, President of the International Fund for Agricultural Development (IFAD), outlined IFAD's activities, which include: 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 and welcomed cooperation with the GEF and the CCD's Global Mechanism in the new focal area of land degradation.

Joseph Eichenberger, Vice-President of the Asian Development Bank (ADB), acknowledged the unique capacity of regional development banks to assist the GEF through identifying opportunities at the regional level and ensuring efficient use of funds. He noted the 11 ongoing joint GEF-ADB projects and a "pathbreaking" partnership on land degradation. Eichenberger also welcomed the GEF Council's May 1999 decision to expand opportunities for regional development banks.

Kui-Nang Mak, UN Department of Economic and Social Affairs, noted the constructive cooperation between the CSD, the GEF and its IAs. Mak highlighted the GEF's ability to meet the challenge of elaborating an integrated follow-up to the Monterrey Consensus and the WSSD.

Crispian Olver, South Africa, underscored the importance of assessing the GEF's role in implementing the WSSD Plan of Implementation. Olver stressed interlinkages between environmental, social and economic development in GEF programmes and noted the need to mainstream regional initiatives, continue work on desertification and increase public participation.

Speaking on behalf of civil society organizations, Liang Congjie, Friends of Nature China, highlighted the increased participation of Chinese NGOs in the GEF process. He also noted the GEF's challenges in addressing the WSSD Plan of Implementation and called for, *inter alia*: the expansion of the Small Grants Programme; additional contributions to the GEF; increased funding for biodiversity and poverty alleviation projects; local community participation in land degradation and biodiversity-related activities; clarification of the incremental cost approach; valuation of NGO's contributions, particularly in the least developed countries (LDCs) and Small Island Developing States (SIDS); and concrete mechanisms to ensure public participation in GEF initiatives.

CONSIDERATION OF ASSEMBLY DOCUMENTS

Following the opening statements on Wednesday, 16 October, participants considered the *Second Overall Performance Study of the GEF* (GEF/A.2/4) and the *CEO's Report on the Policies, Operations and Future Development of the GEF* (GEF/A.2/5). The Assembly reconvened on Thursday, 17 October, to consider the: *Report on the Third Replenishment of the GEF Trust Fund* (GEF/A.2/7); *Report on Membership* (GEF/A.2/8); *Report on Credentials* (GEF/A.2/CRP.1); and *Proposed Amendments to the Instrument* (GEF/A.2/9). Documents on each of these items, which had been prepared for the Assembly's consideration, were presented to participants during Plenary.

SECOND OVERALL PERFORMANCE STUDY (OPS2): Leif Christoffersen, OPS2 Team Leader, addressed the Assembly on behalf of the eight-member evaluation team and provided delegates with a broad overview of the key issues addressed by the OPS2. He explained that the team's main tasks were to assess the GEF's performance and provide conclusions on whether GEF projects have produced significant results in a "global context." He noted that OPS2 examined project evaluation reports from completed projects, which represented 12 percent of all GEF-approved projects, and summarized its key findings:

- ozone programme: the GEF has been responsive to and supportive of the Montreal Protocol and has had a significant impact in helping achieve meaningful reductions in ozone depleting substances;
- climate change: the GEF has been most effective in promoting energy efficiency, has achieved some success in promoting grid-connected renewable energy, and has had the least success with off-grid rural renewable energy projects;
- biodiversity: the GEF has improved protected areas management through participatory approaches;
- international waters: the GEF has contributed significantly to the implementation of existing global and regional agreements that address protection and restoration of freshwater and marine ecosystems; and
- land degradation: the GEF has achieved inadequate results in the area of land degradation, but has implemented some projects that contributed to capacity building for sustainable management of land resources.

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Christoffersen emphasized the GEF's key role in supporting the global environmental conventions and concluded that it has produced significant project results that address important global environmental issues. He called for a solid scientific basis for distinguishing between global and local environmental benefits related to land degradation and stressed: streamlining the GEF project cycle; improving effectiveness of small grants and medium-sized projects; providing solid scientific and technical advice from credible sources; increasing a better partnership approach in all phases of the GEF's operational activities; effective monitoring and evaluation; and clarifying the concept of "global environmental benefits."

CEO'S REPORT ON THE POLICIES, OPERATIONS AND FUTURE DEVELOPMENT OF THE GEF: Mohammed El-Ashry, CEO/Chair of the GEF, 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 noted that the GEF has accelerated its operations and improved performance and results on the ground, highlighting, *inter alia*: the GEF's increased membership; the enlarged scope with respect to the existing focal areas as well as new focal areas; the more systematic approach to capacity building; and more transparent project cycles.

Noting that GEF-supported activities produced significant results, El-Ashry stated that since its formation in 1991, the GEF has committed approximately US\$4 billion in project resources and mobilized an additional US\$12 billion in financing through over 1000 projects in 160 countries and some 3000 small grants. El-Ashry identified as indicators of the international community's increased confidence in the GEF: the success of the third replenishment; the support of the WSSD for the GEF; and the decisions of the UNFCCC requesting the GEF to manage its three new funds. He also said that the GEF has become a model for new international institutions that are small but efficient in tackling the global agenda.

Addressing the challenges ahead, El-Ashry stressed the need for: integrating GEF objectives and programmes with national priorities and sustainable development strategies; establishing meaningful dialogue with the Conference of the Parties to the relevant Conventions; formulating criteria for project and programme quality; mobilizing additional resources through cofinancing; furthering partnerships and political dialogue with NGOs; and measuring performance through a strengthened evaluation and monitoring system.

REPORT ON THE THIRD REPLENISHMENT OF THE TRUST FUND: El-Ashry presented the *Summary of Negotiations on the Third Replenishment of the GEF Trust Fund* (GEF/A.2/7), highlighting contributions of US\$2.97 billion to cover GEF operations and activities from 2003-2006. El-Ashry credited Denmark, Finland, the Netherlands, Sweden and the UK for additional contributions, and reported that Germany announced it would make voluntary contributions after addressing certain domestic political issues. He noted that the third replenishment covers all focal areas, including POPs and land degradation.

REPORT ON MEMBERSHIP: Patricia Bliss-Guest, the GEF Secretariat, reported that the GEF currently has 173 Member States, signifying an increase of nine countries since the first Assembly. She noted that the *Report on Membership* (GEF/A.2/8) contains the list of members and dates of Notification of Participation.

REPORT ON CREDENTIALS: Bliss-Guest also reported that the Bureau had received and accepted credentials from 77 participants and had agreed that Representatives without proper credentials would be allowed to participate, on the understanding that they would submit credentials in due form, preferably before the end of the Assembly.

PROPOSED AMENDMENTS TO THE INSTRUMENT: Bliss-Guest reported that the Council agreed in May 2002 to the designation of land degradation and POPs as new GEF focal areas and confirmed the GEF's availability to serve as the financial mechanism for the Stockholm Convention on POPs, as set forth in the *Proposed Amendments to the Instrument* (GEF/A.2/9). The Assembly considered and approved the amendments agreed by the Council.

STATEMENTS BY REPRESENTATIVES

Approximately 80 Representatives of GEF Member governments, including 64 Ministers and one President, delivered statements to the Assembly from 16-17 October.

Representatives praised El-Ashry for his leadership of the GEF, and commended China's hospitality and organization. Speakers welcomed the third replenishment of the GEF Trust Fund, with Finland stressing timely payment of contributions and Turkey emphasizing that resources be used effectively. Italy and the UK stated that funds will always be limited and encouraged cofinancing and leveraging private sector resources to mobilize additional funds. Uganda urged careful assessment of cofinancing. Cambodia added that cofinancing alone might increase a country's debt. Germany noted that funding alone will not solve global environmental problems and supported GEF-facilitated partnerships.

China highlighted multilateral cooperation as the basis of environmental protection and, supported by several speakers, emphasized application of the principle of common but differentiated responsibilities. Many participants underscored the GEF's role in achieving MDGs and implementing WSSD outcomes. Australia underlined the challenge of linking global environmental protection and economic development. Switzerland regarded the GEF as the best mechanism for meeting poverty eradication goals, commended the US for its contribution to the third replenishment, and underscored the GEF Council's intention to discuss cofinancing and partnerships with the private sector at its next meeting.

Uzbekistan and other countries with economies in transition said they considered the GEF their main partner in addressing global environmental problems. Several GEF-recipient States, including Albania, Cameroon, Côte d'Ivoire, Egypt and Lesotho, extended their appreciation for GEF help in implementing the Rio Conventions.

Representatives applauded the proposed broadening of the GEF mandate, with African countries especially approving the designation of land degradation as a new focal area. Several countries, including Uzbekistan and Norway, welcomed the expanded opportunities to access funds through regional development banks. Costa Rica stressed the need for justice in global environmental protection and trade, and together with Moldova welcomed promotion of the regional programmes. Indonesia and Thailand urged the GEF to pay greater attention to the biodiversity focal area. Rwanda noted that this was the first GEF Assembly it has attended and recommended that the GEF be designated the financial mechanism for the CCD.

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Many countries recognized the GEF's catalytic role. Spain suggested an expansion of the GEF's catalytic capacity. Italy urged the GEF to work more closely with the CCD and the Stockholm Convention. Belgium recommended that the GEF better serve the needs of LDCs. Finland suggested integrating the GEF's activities and the Poverty Reduction Strategy Papers process.

Turkey proposed further diversifying the GEF's focal areas and focusing on small- and medium-sized projects. Thailand recommended that IAs and EAs promote projects at regional and sub-regional levels. Ecuador called for enhancing the role of national focal points. Noting its limited capacities and lack of dedicated resources, Barbados requested differential treatment for countries with small economies. South Africa stressed the need to focus on constituency systems and provide support for operational focal points to ensure country-driven and country-owned GEF projects.

India supported increasing transparency and accountability of the IAs and stressed that selection parameters such as impact maximization, performance and accountability should not prevent developing countries from accessing scarce resources. Canada supported increasing interagency cooperation and collaboration, while Norway and Kazakhstan urged increased independence of the monitoring system to ensure transparency. The Republic of Korea urged enhancing the monitoring and evaluation mechanism to better assess project impacts, and with Argentina and Mexico called for developing appropriate sustainable development indicators. Kenya recognized the importance of generating scientific knowledge and with France supported enhancing the STAP's role.

Many countries, including Bangladesh, Benin, Malaysia, Morocco, Japan and the Netherlands, called for simplification of the project approval process, stressing the need to reduce time between processing and implementing projects and relieve administrative burden. Iran suggested an assessment of the implementation of the first GEF Assembly's recommendations, and emphasized good governance, transfer of new, sound and appropriate technologies, public awareness and education.

Tonga, Tuvalu and Fiji, on behalf of the Pacific Island States of Micronesia, requested the GEF to expedite SIDS' access to UNDP's Small Grants Programme. Lao People's Democratic Republic called for assistance to better assess and utilize available GEF funds.

Many Representatives, including Belarus and the Russian Federation, emphasized that projects should be country-driven and reflect national priorities, while others suggested further enhancing country-ownership of projects. Bulgaria and Barbados stressed the role of local-level participation in fostering country ownership and expressed their willingness to work with NGOs in this regard. Greece encouraged regional and international initiatives. Egypt requested the GEF to focus on Arab countries and the consequences of occupation in Arab lands. Yugoslavia underlined the importance of coordination, cooperation and partnership among donors, recipients, the GEF and the IAs. Tunisia outlined its comprehensive sustainable development strategy, highlighting the importance of stakeholder engagement.

Kyrgyzstan urged the GEF to develop international regulations on key environmental issues. Together with many developing countries, Denmark emphasized capacity building. Senegal called on African countries to support the Global Programme Action for the Protection of the Marine Environment from Land-based Activities and appealed for financial support to meet global poverty reduction goals. Tajikistan

called for support of the Central Asia Regional Environmental Action Plan and the International Year of Water, while Kyrgyzstan noted the International Year of the Mountains and the upcoming Global Mountain Summit in Bishkek. Brazil highlighted the GEF-supported Amazon Region Protected Areas programme. Mexico and Bhutan supported adaptation in addition to mitigation measures in climate change policies. Peru stressed that more funding for sustainable development would help to prevent conflicts. Jordan offered to host the next GEF Assembly.

PANELS

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 IAs and EAs on "Integrating Global Environment and Sustainable Development" on Wednesday, 16 October. El-Ashry highlighted the importance of the IAs and new EAs, especially in fulfilling the WSSD Plan of Implementation and integrating environmental, social and economic concerns. Zhang Shengman, the World Bank, highlighted the WSSD's role in inter-linking economic growth, environmental sustainability and equity. He expressed the Bank's commitment to supporting, *inter alia*, ecosystems, forestry, water management, sustainable financing for conservation and renewable energy. Lennart Båge, IFAD, noted that the Monterrey Consensus and the WSSD Plan of Implementation focused on mobilizing funds for development. He highlighted the significance of agricultural and rural communities in eradicating poverty and promoting sustainable development. Malloch-Brown, UNDP, said that despite the successful third replenishment, funds are limited in comparison to aspirations and expectations. He highlighted the importance of partnerships, particularly with civil society and the private sector, to mobilize resources. Joseph Eichenberger, ADB, recognized the challenges of the post-WSSD agenda and encouraged mainstreaming sustainable development, notably at local levels. He encouraged environment ministries to collaborate more closely with finance and other ministries to develop a supportive national context for sustainable development. Klaus Töpfer, UNEP, underscored partnerships and the importance of implementable targets and concrete timetables, noting those in the WSSD Plan of Implementation.

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

GEF AND ENVIRONMENTAL PROTECTION IN CHINA: Co-chaired by Jin Liqun, Chinese Vice-Minister of Finance, and Zhu Guangyao, Vice-Minister of China's State Environmental Protection Administration (SEPA), this Panel consisted of seven presentations, each followed by a commentary, and a discussion session. Jin Liqun outlined China's efforts to strike a balance between the need for economic reform, sustainable development, and stability both at the national and global levels. Xiang Huaicheng, Chinese Minister of Finance, described China's efforts in increasing financial resources,

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strengthening fiscal policies and exploring new funding mechanisms for sustainable development. Participants discussed cooperation between neighboring countries, and the applicability of carbon taxes and emissions trading in China.

Xie Zhenhua, SEPA Minister, briefed participants on the progress of environmental protection in China, noting that it is a national investment priority. Klaus Töpfer, UNEP, stressed decoupling economic growth and environmental deterioration and urged south-south cooperation. Discussions focused on ways to promote recycling, control desertification and increase NGO involvement in GEF projects.

Jiang Zehui, Chinese Forestry Sciences Academy, introduced the government's forestry activities and reported on the progress of the ongoing GEF/CHINA partnership on combating land degradation in dryland ecosystems. Joseph Eichenberger, Asian Development Bank, highlighted this partnership's innovative approach and associated challenges. Participants discussed the need to link national with global projects and increase public involvement in GEF-supported projects.

Wang Dehui, SEPA, elaborated on efforts and associated challenges related to biodiversity conservation and implementation of the CBD in China. Huang Dawei, Chinese Academy of Sciences, proposed mainstreaming conservation with policymaking and increasing biosafety research. Participants discussed management of invasive alien species and the need for public education and participation.

Liu Xianfa, State Economic and Trade Commission, explained how China has decoupled economic growth and energy consumption via a mix of policy instruments and is aiming at further increasing energy efficiency by 20 percent. Frank Pinto, UNDP/GEF, commended China's successes in increasing energy efficiency and highlighted relevant ongoing GEF projects. Participants discussed China's dependence on oil and petroleum imports and energy consumption in rural areas.

Gao Guangsheng, State Development Planning Commission, provided background information on China's climate change policy. Recognizing China's large population and economic objectives, Zhou Dadi, Energy Research Institute, underscored the need to explore new ways to achieve economic advancement and decrease per capita energy consumption. Discussions focused on building awareness of climate change issues in rural populations.

Liu Yi, SEPA, shared China's experience and lessons learned from its implementation of the Montreal Protocol, highlighting strong international cooperation, effective national grant mechanisms and innovative approaches as reasons for success. Commentators Kristalina Georgieva, World Bank, and Omar El-Arini, Multilateral Fund, praised China's strategic and systematic approach in phasing out ozone-depleting substances.

SCIENCE AND THE GLOBAL ENVIRONMENT: Julia Carabias, STAP Chair, introduced this Panel, which convened on Thursday, 17 October. She stated that the panel's objective was to analyze the links between land degradation, climate change and global biodiversity. Klaus Töpfer, UNEP, underlined the interlinkages among several environmental agreements and conventions and stressed the need to avoid conflicting results when implementing the different commitments.

Robert Watson, the World Bank, explained the impacts of climate change on water, energy, health, agriculture and biodiversity and their interlinkages with air quality standards, desertification, deforestation and ozone depletion. Watson emphasized that poverty reduction is a multi-dimensional issue threatened by climate change and biodiversity

loss. He pointed out the need to integrate climate change and biodiversity into broader national policies and called for: understanding relationships between biodiversity, ecosystem structure and migration; creating effective monitoring systems; improving regional scale climate models; and developing a set of criteria and indicators to assess the synergies and technologies to effectively address climate change and biodiversity.

Michael Stocking, University of East Anglia, said that land degradation impacts the local level and affects poor societies and marginal environments. He underscored the complex linkages among land degradation and other focal areas, food security and poverty alleviation. Timothy Williams, International Livestock Research Institute, highlighted the links between livestock production, especially in drylands, and the GEF focal areas. Stocking examined the environmental and social impacts of livestock management, including its effects on land quality, biodiversity, climate and livelihood.

Francis Gichuki, International Water Management Institutions, stressed access to information as a means of holistically confronting impacts of land and water degradation, and urged an integrative approach. He suggested enhancing partnerships, allocating funding for a research commission and drawing on different professional disciplines. Karlheinz Ballschmiter, University of Ulm, Germany, outlined serious future global environment problems associated with POPs and stressed the need to focus on: POPs regional status, their effects on the environment, and ways of eliminating POPs. He called for increasing research on and public awareness of POPs, gathering comparable pollution data, and finding safe alternative methods of destroying POPs. Xu Xiaobai, Chinese Academy of Sciences, noted the problem of controlling POPs releases and circulation in the environment and outlined common sources and pathways of pollution. Habiba Gitay, STAP Vice-Chair, explained the need for GEF operational programmes to consider integrated and ecosystem approaches, and develop pilot projects of local, regional and global scales.

EMINENT PERSONS: Maurice Strong (Canada) chaired this panel, which met on Thursday, 17 October, and consisted of six distinguished environmental experts who envisioned and contemplated the GEF's role for the next ten years.

Mostafa Tolba, International Center for Environment and Development, stated that the GEF should affirm its identity and become a more independent institution. Tolba recommended that the GEF use its financial leverage to integrate activities and strengthen partnerships, particularly with the private sector. Noting the GEF's success and rapid progress, Gertrude Mongella, Advocacy for Women in Africa, emphasized the need to expand the Small Grants Programme and encouraged the GEF to form a direct relationship with civil society.

Henrique Cavalcanti, Intergovernmental Forum on Chemical Safety, stressed the need to define a strategic approach to the international management of chemicals by 2005. István Láng, Hungarian Academy of Sciences, highlighted the GEF's new role in promoting sustainable development and pointed out the need to develop country- and regional-level strategies for transitioning to a sustainable society. Thomas Odhiambo, African Academy of Sciences, stressed that the GEF should link environmental and social issues, involve local and indigenous communities, and consider moral values when addressing global environmental problems.

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Strong underscored the need for the GEF to extend its professional capability and foster partnerships and parallel financing with the private sector. He highlighted that the GEF cannot force integration among secretariats of conventions, IAs and EAs, but has a unique role in facilitating their interactions. Strong emphasized that sustainable development requires motivation and sustainable institutions.

PARLIAMENTARIANS: The Panel of Parliamentarians on the Global Environment, which convened on Friday, 18 October, was chaired by K.M. Khan (India) and organized by the Global Legislators Organisation for a Balanced Environment (GLOBE). Delegates heard three presentations by members of parliament and engaged in a follow-up discussion session.

Panat Tasneeyanond (Thailand) stated that global cooperation alone could not reverse the trend of environmental destruction and urged all to actively engage in the WSSD Plan of Implementation. Tasneeyanond requested GLOBE to advance a loan initiative supporting development of renewable energy resources. He described Thailand's renewable energy initiative, stated that Thai NGOs are dissatisfied with the CBD's ability to adequately protect Thailand's biodiversity and genetic resources, and noted that many appropriate legislative and regulatory requirements are needed to implement the WSSD outcomes.

Augusto Baculio (Philippines) outlined the objectives and operations of several environmental regulations and programmes. Stating that the Philippines has over 7100 islands, many without grid-connection, Baculio described proposed legislation aimed at promoting non-conventional energy sources and stimulating the rural economy. He further explained how the country is integrating its environmental agencies and creating a separate watchdog entity that will have jurisdiction powers and an adjudication office.

Mercy Almona-Isei (Nigeria) emphasized the role of legislators as the direct representatives of people. She identified land degradation, deforestation and marine pollution as areas needing urgent intervention, and highlighted the African process of protecting the marine environment from land-based sources of pollution and Nigeria's initiatives to respond to oil spills.

Discussions focused on Nigeria's oil spill regulations and enforcement of Chinese environmental laws. Panelist and Parliamentarian Qu Geping (China) explained that non-compliant companies are subject to fines, but noted that many western companies' environmental standards are based on their home country's standards, which tend to be stricter than Chinese environmental regulations.

NGOS: Convened on Friday, 19 October, this panel was chaired by Liliana Hisas (Argentina) and comprised representatives from international and national NGOs. Cliff Curtis (WWF) stated that the GEF has both the responsibility and the opportunity to ensure the effective and prompt implementation of the Stockholm Convention. Noting that a number of POPs-related GEF activities are already underway, he highlighted the African Stockpiles Project as a model of sustainable development in action.

Jesus Cisneros (Costa Rica) described how the Small Grants Programme in Costa Rica strengthens NGOs' technical and administrative capacities, noted the challenges of reconciling global and local priorities and stressed the need to create alliances between NGOs and other national and international institutions. Marco Cerezo (Guatemala) presented innovative methods of how GEF projects promote

public involvement in Latin America, highlighting co-management of national protected areas and NGO participation in the governing bodies of national environmental organizations.

On behalf of indigenous peoples, Esther Camac stressed the challenges of ensuring full participation of indigenous peoples in the CBD process. She called for, *inter alia*: reviewing impacts of the CBD and other conventions on indigenous peoples; promoting their legal rights to participation and traditional knowledge; raising awareness and building capacity; and involving indigenous peoples in performing inventories of traditional knowledge. Liao Xiaoyi (China) called for increasing the role of NGOs in the GEF and recommended that: NGO participation be a criteria for assessing GEF projects; Chinese NGOs have access to the Small Grants Programme; and communication among the GEF, IAs and NGOs be improved.

Participants discussed, *inter alia*: linkages between GEF projects; engagement of Major Groups in the GEF process; and the importance of the GEF responding to the CBD COP's request to address indigenous peoples' rights.

CLOSING PLENARY

The closing Plenary was convened following a roundtable of ministers and heads of delegation, which considered and approved the *Summary of the Second GEF Assembly* (GEF/A.2/CRP.2). The Summary, which was endorsed by the Assembly at the closing Plenary, was prepared in consultation with the Bureau and the Secretariat. It includes the Beijing Declaration and an appendix containing the decisions of the second GEF Assembly. In his closing statement, El-Ashry noted the number of participants at the Assembly and praised China for its hospitality. Chair Xiang closed the Assembly ahead of schedule at 1:20 pm.

THE BEIJING DECLARATION/ SUMMARY OF THE SECOND GEF ASSEMBLY

The preamble expresses appreciation to the government and people of the People's Republic of China for hosting the Assembly. It recognizes that managing the global environment benefits all peoples and welcomes the substantial third replenishment of the GEF Trust Fund, increased partnerships with regional development banks and the conclusions of the WSSD. It underscores the importance of the MDGs and reaffirms the GEF's objectives of providing new and additional resources to achieve global environmental benefits. It notes that the GEF is a novel multilateral entity based on partnership between the Secretariat, STAP and its IAs. It recognizes that the GEF is the only multi-convention financing facility in existence, the major source of funding specifically supporting the CBD and the UNFCCC and is a source of funding supporting the Stockholm Convention on POPs and the CCD.

Through the Declaration, the second GEF Assembly agrees that, to further strengthen the GEF to respond to its evolving challenges, it supports the expanded mandate of the GEF and confirms the GEF's availability as a financial mechanism of the CCD, requesting the Council to make any necessary arrangements if the CCD Conference of Parties should so decide. The Assembly further calls upon countries to make additional contributions to the GEF Trust Fund and the GEF to:

- assist in the implementation of the WSSD's results, taking into account the situation of LDCs and SIDS, the importance of regional initiatives, stakeholders involvement and partnerships;

SUSTAINABLE DEVELOPMENTS

- enhance its activities at the country level, integrate them into national strategies and programmes for sustainable development, enhance partnership with civil society, and expand the Small Grants Programme to more countries, particularly LDCs and SIDS;
- identify and systematically address capacity needs and priorities of developing countries, remove policy barriers and foster synergies amongst the global environmental conventions;
- enhance strategic planning for allocation of scarce resources to high priority areas within and among focal areas to maximize impact on global environment improvement;
- continue to simplify and expedite the GEF project cycle in cooperation with IAs, EAs and national operational focal points, taking into account lessons learned and findings of the GEF monitoring and evaluation programme;
- continue efforts to improve the understanding of agreed incremental costs and global benefits by countries and staff of the IAs and EAs;
- strengthen the GEF's catalytic role, through mainstreaming, cofinancing, and replicating successful activities on a larger scale;
- enhance technology transfer by strengthening public-private partnerships and North-South and South-South cooperation;
- develop a new strategy to better engage the private sector, emphasizing the development of an enabling environment and market-oriented strategies to enhance sustainability and replication;
- ensure that strategic goals and priorities established in the strategic business plan are linked to programmatic and project performance indicators;
- establish independence of the GEF monitoring and evaluation unit, enabling it to report directly to the Council; and
- establish procedures to disseminate lessons learned and best practices to ensure more systematic use of results of GEF projects.

THINGS TO LOOK FOR

UNFCCC COP-8: The Eighth Conference of the Parties to the UN Framework Convention on Climate Change will convene from 23 October to 1 November 2002 in New Delhi, India. For more information contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; Internet: <http://unfccc.int/cop8/index.html>

CITES COP-12: The Twelfth Meeting of the Conference of the Parties of the Convention on the International Trade in Endangered Species will take place from 3-15 November 2002 in Santiago, Chile. The 47th meeting of the CITES Standing Committee will precede COP-12. It will meet from 1-2 November 2002 in Santiago. For more information contact: CITES Secretariat; tel: +41-22-917-8139; fax: +41-22-797-3417; e-mail: cites@unep.ch; Internet: <http://www.cites.org/eng/news/meetings/cop12.shtml>

FIRST SESSION OF THE COMMITTEE FOR THE REVIEW OF THE IMPLEMENTATION OF THE CCD: The Committee for the Review of the Implementation of the Convention to Combat Desertification will hold its first meeting from 11-22 November 2002 in

Rome, Italy. For more information contact: CCD Secretariat; tel: +49-228-815-2802; fax: +49-228-815-2898/99; e-mail: secretariat@unccd.int; Internet: <http://www.unccd.int/cop/cric1/menu.php>

17TH SESSION OF THE GLOBAL BIODIVERSITY

FORUM: The 17th Session of the Global Biodiversity Forum (CBF-17) will be held from 15-17 November 2002 in Valencia, Spain. GBF17 will be convened immediately prior to the 8th meeting of the Conference of the Parties to the Ramsar Convention. For more information contact: Caroline Martinet, IUCN; tel: +41-22-999-0216; fax: +41-22-999-0025; e-mail: caroline.martinet@iucn.org; Internet: <http://www.gbfi.ch>

RAMSAR CONVENTION COP-8: The Eighth Conference of the Parties to the Ramsar Convention on Wetlands will be held from 18-26 November 2002 in Valencia, Spain. For more information contact: Ramsar Convention Bureau; tel: +41-22-999-0170; fax: +41-22-999-0169; e-mail: ramsar@ramsar.org; Internet: http://www.ramsar.org/index_cop8.htm

VIENNA CONVENTION COP-6 AND THE MONTREAL PROTOCOL MOP-14: The Sixth Meeting of the Conference of the Parties to the Vienna Convention and the 14th Meeting of the Parties to the Montreal Protocol will take place simultaneously from 25-29 November 2002 in Rome, Italy. For more information contact: Ozone Secretariat; tel: +514-954-8219; fax: +514-954-6077; Internet: <http://www.unep.org/ozone/mop/14mop/14mop.shtml>

BASEL CONVENTION COP-6: The Sixth Meeting of the Conference of the Parties to the Basel Convention will take place from 9-13 December 2002 in Geneva, Switzerland. For more information contact: Secretariat of the Basel Convention; tel: +41-22-979 8218; fax: +41-22-797 3454; e-mail: sbc@unep.ch; Internet: <http://www.basel.int/COP6/COP6pre.htm>

UNEP GOVERNING COUNCIL: The 22nd Session of the UNEP Governing Council will be held from 3-7 February 2003 in Nairobi, Kenya. For more information contact: Secretary for Governing Council, UNEP; tel: +254-2-623431; fax: +254-2-623929; e-mail: beverly.miller@unep.org; Internet: <http://www.unep.org>

CBD SBSTTA-8: The Convention on Biological Diversity Subsidiary Body on Scientific, Technical and Technological Advice will hold its eighth meeting from 10-14 March 2003 in Montreal, Canada. For more information contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@biodiv.org; Internet: <http://www.biodiv.org/doc/meeting.asp?wg=SBSTTA-08>

UNFF-3: The UN Forum on Forests will hold its third session from 26 May to 6 June 2003 in Geneva, Switzerland. For more information contact: Mia Soderlund, UNFF Secretariat; tel: +1-212-963-3262; fax: +1-212-963-4260; e-mail: unff@un.org; Internet: <http://www.un.org/esa/sustdev/forests.htm>

CCD COP-6: The Sixth Conference of the Parties to the UN Convention to Combat Desertification will take place from 19-30 October 2003 in Bonn, Germany. For more information contact: CCD Secretariat; tel: +49-228-815-2800; fax: +49-228-815-2898/99; e-mail: secretariat@unccd.int; Internet: <http://www.unccd.int>

CBD COP-7: The Seventh Meeting of the Conference of the Parties to the Convention on Biological Diversity will be held in March 2004 in Kuala Lumpur, Malaysia. For more information contact: CBD Secretariat; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: secretariat@biodiv.org; Internet: <http://www.biodiv.org>