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# **Global Environment Facility**

## **Opening Remarks**

**Monique Barbut, CEO and Chairperson  
Global Environment Facility**

**4<sup>th</sup> GEF Assembly  
Punta del Este, Uruguay  
Tuesday May 25, 2010 @ 10 am**

Excellencies,

Delegates,

Members of the Press,

Ladies and Gentlemen,

The GEF Assembly is being held in South America for the very first time, and I would like to express my heartfelt appreciation to the Government of Uruguay for welcoming us here in Punta Del Este.

Standing before you is a very happy Chief Executive Officer. The just-completed GEF replenishment is nothing short of historic, and when we have good news, we must both share and celebrate it. And so today we are celebrating a reinvigorated and replenished GEF, a GEF of which we can be proud, a GEF that has distinguished itself as a global leader in environmental issues.

It is true that the days have sometimes been long. We have held hundreds of meetings with countries and agencies; we have spent hours on the telephone; and we have exchanged thousands of e-mail messages and run down hundreds of BlackBerry batteries! However, none of this time or effort expended by the Secretariat has been wasted.

Nineteen years ago, we founded the GEF as the funding mechanism for all international environmental conventions and conceived of it as a partnership for bringing together not only a Secretariat responsible for financial resources and agencies tasked with project implementation, but also countries, donors and beneficiaries, NGOs, and other institutions.

We saw it as a partnership carrying the weight ascribed to this term in French law; a partnership in the sense of “*affectio societatis*,” that is, “the desire of parties to work together to achieve a common goal,” which implies “setting aside their individual interests when the collective interest so requires.”

Perhaps it will come as a shock to you when I say that the GEF was bereft of this legal foundation. This principle of “*affectio societatis*” should have been legally adopted by us as a “founding” principle (in the etymological sense of the word) of the GEF.

I say this because too often the interests of some have trumped protection of our institution, its values, and its objectives, causing us to lose sight of them in labyrinthine bureaucratic and institutional processes that have gradually undermined our initial concept of this partnership.

It is for this reason that when I stood before you for the first time as CEO and Chairperson of the GEF, you called for the implementation of reforms. You asked me to ensure the renewal of the GEF’s initial spirit of partnership.

I therefore proposed to you a five-point Compact. The objective of this Compact was to make the GEF a well-functioning organization once again, one resolutely oriented toward action and capable of regaining the trust of donors. This Compact was the first step in a process of renewal.

Although we have had to wage a struggle for each reform included in this Compact, we have remained steadfast. As French author André Gide counseled: “Work and struggle and never accept an evil you can change.”

These reforms have indeed led to sweeping change within the GEF. Four years ago, in presenting this Compact to you, I **wanted to be able** to say five things: the GEF is strategic, innovative, equitable, accessible, and efficient.

Today I **can say to you**: the GEF is strategic, innovative, equitable, accessible, and efficient.

- **First and foremost, the GEF is strategic.** We have clearly delineated and prioritized our objectives in order to ramp up our impact on the ground and foster synergies in several environmental areas. When the GEF invests one dollar in forest biodiversity, that same dollar is invested in the carbon stored in these forests. We have also developed regional or thematic programmatic approaches instead of financing individual projects in a piecemeal and uncoordinated manner. At the moment, close to one-third of GEF resources are committed to such programs. To cite just one example: four years ago, how many of you here from the Pacific islands would have imagined that the GEF would be able to invest US\$100 million in this region? Yet we have done so, and not only in this region, but also in West Africa and the Mediterranean.
  
- **I can also say to you that the GEF is innovative.** We are currently the largest funding mechanism in the world for the transfer of clean energy technologies. It is precisely because the COP Climate Change Conference in Poznan recognized this experience that it assigned a technology transfer mandate to us! However, this innovation also has a financial component. For example, the Tropical Forest Account that we established to boost resources has been successful. It is this

success that prompted donor countries, in the GEF-5, to expand our role as a powerful force for mobilizing resources to protect forests.

- **Third, the GEF is more equitable.** We have reclaimed our initial mandate of tending to the most vulnerable. Between the GEF-3 and the GEF-4, the proportion of funds allocated to the Least Developed Countries and the Small Island Developing States rose sharply from 11.9 percent to 18.4 percent. African countries, which had expressed their disappointment with the resources allocated to combating desertification, must certainly recognize the work done and be pleased with the progress made by the GEF-5 in this area. Lastly, equity also entails channeling more money to climate change adaptation. From an historical standpoint, it is indeed a cruel irony that the populations that bear the least responsibility are now the ones most vulnerable to the effects of climate change. Through the Least Developed Countries Fund and the Special Climate Change Fund, we have provided them with funding to the tune of US\$240 million. To cite just one example, in the Rio de la Plata estuary, where we are currently gathered, coastal and fisheries ecosystems are affected by salinity changes resulting from more irregular rainfall. Working with Uruguay, our host country, the GEF is financing an adaptation project to preserve coastal biodiversity and the fishing economy that is essential to the local populations.
  
- **Fourth, I can say today that the GEF is more transparent and accessible.** I sent my teams to meet with countries and you have seen the number of national workshops and regional meetings we have

organized in order to foster a better understanding of GEF issues and operations. For those of you who work with our website, I am sure you have noticed the changes made to it recently. In a matter of seconds, you can now find any information you want! In short, the GEF once again exists to the outside world.

- **Lastly, the GEF is efficient**, and this is the feature underpinning the entire reform structure. You will recall that four years ago, it took 44 months to approve a project. Currently, the average time is 17 months. We managed to transform the Resource Allocation Framework (RAF), which everyone told me was a real nightmare, into a success story. The RAF has become a driving force behind country ownership of GEF activities, even by the poorest countries, as evidenced by the very high rate of use of GEF-4 resources. It is on this solid foundation that we built the future STAR, our System for a Transparent Allocation of Resources.

Ladies and Gentlemen,

The reforms undertaken during these past four years have put the GEF back on the path that we had defined at the time of its establishment. I have fulfilled the mandate you entrusted to me four years ago, and so together we can say: **“Yes, we did it!”**

However, this is certainly not the end of the story; it is rather the first step in a renewal process, with other steps that still need to be taken.

Indeed, the unprecedented replenishment that we just received provides us with the resources to implement the remaining reforms needed to complete the process to firmly reestablish our credibility by restoring the “*affectio societatis*,” the “founding” spirit of partnership, of our institution.

With a view to achieving this twofold objective, three priority areas will guide our work for GEF-5:

- First, efficiency, given that the prerequisite for a partnership is trust, and to inspire trust, efficiency, credibility, and respect are essential.
- Next, responding to the guidance provided by the conventions, from which the GEF derives its purpose and mandate.
- Lastly, strengthening ownership by countries that should truly control the use of their resources.

Therefore, our first area is the principle of the spirit of partnership, while the other two will be an expression of this spirit.

I would like to expand on these three points.

- **First, we can make the GEF even more efficient.** We must continue efforts already underway to simplify the project cycle and further streamline procedures. We will also make the GEF the first global institution to introduce a results-based performance system. The issue is not merely one of knowing that financing has been provided for 1,000 windmills, but also of ensuring that the money invested will help avoid the emission of 1 million metric tons of CO<sup>2</sup>. Each dollar invested must have an impact. Since its establishment, the GEF has

protected more than 10 percent of the earth's total surface area and has helped avoid the emission of almost 3 billion metric tons of CO<sup>2</sup>, at less than US\$1 per metric ton. We must continue to pursue this endeavor.

- **Second, we must never forget that the GEF operates as a mechanism of the conventions**, and that it exists solely to carry out the mandate received from these conventions. We must definitely resume a dialogue that has lost momentum. We must commit to a strategic collaboration with the conventions. Let me cite just one example: under GEF-5, countries will be able to receive direct funding from the GEF to prepare their national communications, because it is through their national communications that they are able to strictly adhere to their commitments under the conventions.
  
- **Lastly, we must strengthen country ownership of the GEF**. We can certainly take pleasure in the fact that the world has changed after 50 years of official development assistance. However, it is time for beneficiary countries to assume greater responsibility for the use of resources. We must make this a reality within the GEF. Each country will now receive an individual allocation under the new resource allocation system, STAR. We will also provide support to interested countries with a view to enabling them to develop their own project portfolios at the outset of GEF-5. In addition, an entire series of reforms will be instituted to allow countries to select the national, international, or nongovernmental institutions with which they will work.



Ladies and Gentlemen,

Some of you may have had your fill, or are perplexed, and would like to ask me the following questions: “Why are reforms still being implemented? Why should we continue to effect change?” My response is:

- Because we have no alternative but to continually adapt our governance to an increasingly rapidly changing world.
- And because, in order to become THE undisputed financing mechanism of the conventions, we must, step by step, and reform after reform, build the credibility that will make us legitimate stewards of the resources mobilized to address environmental challenges.

However, the course that I am proposing to achieve this ambitious goal is not one of dramatic announcements, which are as ephemeral as the sensational media headlines.

It is instead one rooted in realism and determination, because I am not in the habit of making commitments that I cannot honor. I typically meet the commitments I make.

We have abided by our first five-point Compact.

Similarly, the reforms that we are proposing today for GEF-5 are commitments that can be honored.

We have the resources to achieve our objectives, thanks to this historic replenishment, the result of new grant commitments—actual dollars, each and every one of which we fought tooth and nail to secure. Being realistic means being mindful of the fact that these resources have not fallen from the

sky, but are the result of a Herculean effort by the Trustee, the Secretariat and, above all, the donors, to forge an agreement and provide the necessary resources.

I would really like this realism to be more widely embraced. I want us to be more wary of mirages. Let us be especially wary of financial mirages, which are so frequent during periods of budgetary drought!

The financial resources of the international community have been severely strained by the crisis. Do you really believe that, against this backdrop, it would be in our collective interest to resort to the fragmentation of mechanisms and aid?

I personally do not think so, and the example of official development assistance should give us pause. There are currently 230 funds and programs for international aid, far outnumbering the beneficiary countries ...

To correct this situation, the Paris Declaration initiated a process aimed at streamlining aid effectiveness:

- Do we want to follow exactly the same path for the global environment?
- Do we want to repeat the error of first increasing funds, knowing that we will then be wondering about resources for streamlining aid architecture?

Faced with this risk of fragmentation, I remain confident that the choice made at that time with the GEF is still the most relevant. We need apex financial mechanisms. We need to accord priority to integrated approaches for all global environmental topics. We need mechanisms that draw on

broad-based partnerships rather than poorly coordinated vertical interventions.

In sum, we need an even stronger GEF, and it is now your responsibility to get it moving in that direction. That is the agenda for our Assembly!

Ladies and Gentlemen,

As I open this GEF Assembly—which will no doubt be my last—I would like to express my appreciation for the great honor of having had the opportunity to serve you over these last four years.

As a result of the path on which we have embarked together, we now have a tool that will allow us to face the future, as well as the resources critical for success.

At this juncture, I am fiercely proud of the GEF. I would also like you to be confident in and proud of our institution, and it is my hope that we can build a future for the GEF that is reflective of its potential.

Thank you.