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GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Opening Remarks

Council Meeting

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Global Environment Facility

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Good morning and welcome to the 38th Council meeting of the Global Environment Facility, now 182 nations strong. I would like to acknowledge our latest member, Kuwait here today. Welcome.

Friends:

Last month in Uruguay I told you I was a happy CEO. Yes, we had a hugely successful replenishment: on May 12, we announced a record replenishment of 4.25 billion. Now I can tell you it will be even more than that. Counting pledges and adjustments, we received 100 million dollars more, so our level of replenishment is now 4.34 billion.

. And yes, we have, thanks to a productive Council meeting and Assembly, a clear path forward -- more than at any time in the history of this institution.

But despite this good news, the reality is that our job is not done. We made promises, but we still need to deliver. We need to move quickly while we still have the bonhomie to deliver reforms swiftly and decisively! This brings me to our business today, our first Council in GEF-5. We have an ambitious agenda along two broad GEF-5 themes: country ownership and efficiency and the effectiveness of the GEF.

At the Assembly we reached out to you to give your opinion on how we move forward in these two critical areas.

- On the Country Ownership question, you emphasized how important it is for your voice to be heard in GEF programming.

You also wanted equity: countries most in danger of the shifting environment's impact must not be punished. There was also broad support for direct access to GEF resources.

- On GEF effectiveness and efficiency, many countries recognized our catalytic role in developing and implementing innovative environmental projects. Many statements encouraged the GEF to accelerate the streamlining of the project cycle, while noting the progress that has already been made. The value of a robust results-based management system at the GEF was also underscored. Participants reaffirmed the value of the Small Grants Program and encouraged enhanced engagement with the private sector.

Taking these concerns into account I want to highlight some of the reforms we will start this week with your approval: these include broadening direct access through the redesign of the Country Support Program, expanding the GEF partnership, and streamlining the project cycle. Let me expand on these three points:

- First, the Country Support Program for Focal Points will be redesigned. Interested countries will be able to receive direct funding to conduct a voluntary portfolio identification exercise. This will give countries greater freedom and responsibility to direct resources. Similarly, for interested countries, the Secretariat proposes to provide direct funding to country agencies for the preparation of National Communications to the Conventions.

- Second, the GEF partnership will be expanded so that a wide range of stakeholders: international organizations, national institutions, regional banks, civil society, even universities, can access GEF resources in a cost neutral way. This will give countries more choices when selecting agencies, and broaden the expertise available to them.
- And third, we propose to further streamline the project cycle and refine the programmatic approach so we can usher in together a new era of transformational investments. Through these actions we will get resources on the ground sooner with more impact.

These reforms I just outlined are now words on paper. I am confident though that this week will be an historic one: it will become a time in which you will be remembered for taking swift action—a time when this Council gave life to these reforms and got GEF-5 off on solid footing.

One immediate proving ground for these reforms will be our sustainable forest management program, which is also part of our agenda today.

Promoting a comprehensive approach on forests is one of the comparative advantages of the GEF. It is a key issue under the three leading conventions on climate change, biodiversity and land degradation. It is the reason why several donors chose the GEF to pledge their contribution under the Copenhagen “fast start” mechanism. Moving forward we will handle an incentive mechanism that will generate up to \$1 billion in direct investments

from the GEF in forests. Under GEF-5 it is now a new climate for forests and we stand ready to help countries make life-saving impacts on communities worldwide.

Other items on the agenda I want to briefly mention include:

- STAR – we will be clarifying this new system which starts July 1 in response to your feedback.
- Annual Monitoring Report: in reflection of the increased importance the GEF is giving to monitoring and learning from our work, we have presented an improved AMR this year for Council discussion.

Ladies and Gentlemen,

Today I have talked a lot about the work ahead of us this week. But before I turn the agenda over to our Elected Co-Chairperson, I want you also to consider where you want the GEF to be five years from now, even 10 or 20 years from now.

Our replenishment marks a sea change in the way donors look at aid: it represents a true commitment to country ownership, reflecting in some of these new policy reforms I have outlined for you today.

It also reflects the reality that we live in a multidimensional world. No isolated approach, no segmented approach will enable us to meet the complex

challenges that lie before us. Instead, we must turn our attention to integrated approaches and innovative partnerships, and respect the voice of the countries to which we are delivering aid. We must stop pitting development against the environment, and we must stop placing subjects in neat little boxes. All parties – government and business, local communities and civil society – need to harness each and every form of leverage available to them and join forces to propose solutions to global environmental challenges: climate change, loss of biodiversity, and development needs.

These two challenges are ahead of us: on the one hand, a new commitment to country ownership; on the other, new synergies to be built between stakeholders and environmental challenges that tend to be more and more segmented.

I am sure that our institution will have to evolve along these two lines. I am likewise sure that if we face these two challenges successfully, we will firmly secure our role as the financial mechanism of the international environmental conventions.

Here is the direction. As we begin GEF-5, let it serve as a beacon and guide us for this new period!

Thank you.