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GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Opening Remarks

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Global Environment Facility

40th Council Meeting
Tuesday, May 24 @9am

Distinguished Council Members:

Good morning. Today I am reminded of the proverb; some might call it a curse even, “may you live in interesting times.” I don’t think I can start this Council meeting without taking a moment to consider all of the rather dramatic shifts in the environmental, economic and political landscape that will in turn impact our vision for GEF-5.

We have seen ecological disaster, both natural and manmade from all corners of our planet: the volcanic eruption in Iceland, record flooding in Pakistan and Australia, earthquakes in Chile and Haiti and the earthquake/tsunamis of Japan. Then there was the oil spill in the Gulf of Mexico ~~and now~~ record flooding across the Mississippi delta, and now deadly tornadoes in some parts of the United States.

On behalf of the Secretariat I would like to take a moment to express our collective sorrow for the difficulties and suffering so many people in our GEF family have faced.

This long string of major disasters has, I think, made the world more aware than ever of how we all rely on nature not just simply to survive but to thrive, and of the

grave risk of taking environmental goods and services and natural capital for granted. Yet, these events have also placed enormous strains on the resources of donors, who, are still operating within a weakened global economy. Moreover, we find ourselves operating in a global political landscape that is witnessing as much turmoil as the environment.

Witnessing all of this, I am resolute that the GEF-5 reforms and policies innovations are positioning the GEF well to address these new challenges. In particular, in GEF-5 we **heed** to deploy resources even more efficiently and this will translate into increased country ownership of GEF programs and projects.

In this regards, what we decide now, at this Council meeting on the implementation of article 28 of our instrument, will impact future decisions on international environmental finance, particularly in Durbin and Rio. So, this is a very particular Council meeting, indeed. And our agenda, starting with the Business Plan, reflects much of what the GEF has done and must continue to do to continue to operate as financial mechanism for the conventions.

This role must continue to constitute the fundamental identity of the GEF. The GEF is able to achieve much needed synergies and economies in the effort to

secure multiple global public goods because of its design as a financial mechanism for multiple conventions.

Innovating within the Unique GEF Network Structure

Most important among these innovations is the effort to operationalize the Council's decision to broaden access to GEF resources by creating the opportunity for national and regional entities and non-governmental institutions to become GEF Partner Agencies. One agenda item before you this week presents details for implementing the pilot to broaden access under paragraph 28 of the GEF Instrument. This proposal was developed in cooperation with a subcommittee of the Council that met 3 times to review multiple drafts and work many, many issues through to a very satisfactory outcome. I would like to acknowledge Brazil, Indonesia, Germany, the US, Norway, and South Africa for their hard work, as well as the work of Andrew Velthaus of the Secretariat, the steward of the process.

The proposed pilot prioritizes the accreditation of national and regional agencies to implement GEF projects. This pilot project is simple in design. It calls for a review of the applicant agency's value added to the GEF, of its fiduciary standards and environmental and social safeguards. The project management standards are high, as they should be, but what better way to complement the efforts around the

world to strengthen rule of law and government institutions than to articulate high standards for country systems in recipient countries to attain?

Commitment to the Conventions to Strengthen the GEF's Role as Financial Mechanism

Another agenda item before you this week is, I tell you bluntly, an imperative for the future of the GEF. In November, you recognized a need to allow the GEF to capture additional resources to respond to new guidance from the conventions for which the GEF serves as a financial mechanism, acknowledging that if the GEF does not respond pragmatically in these circumstances, interested donors will naturally put the resources into another institution, jeopardizing the role of the GEF as financial mechanism to the convention. While recognizing this situation, however, I know many of you remain uncomfortable with change. I am telling you, nevertheless, that we must evolve as an institution if we want the GEF to thrive; if we want a financial mechanism capable of programming synergistically for multiple conventions; if we hope to avert further fragmentation in international environmental financing. Today, only the GEF is penalized by an inability to accept new funds over a period of four years. It is critical that we make our system more dynamic.

We are also at this meeting finalizing arrangements to operationalize our new Nagoya Protocol Implementation Fund. The task before you is to determine more concretely what the programming of this fund will look like, so we can begin immediately to identify projects to fund to support rapid ratification and implementation of the Protocol.

Even the Work Program before you this week manifests the GEF's commitment to achieving concrete and transformative results. Among other things, it contains the first GEF-5 programmatic approach: "Sahel and West Africa Program Supporting the Great Green Wall Initiative," which is being implemented under the new streamlined rules for programs. This program is a solid illustration of a strategic deployment of GEF resources to achieve cross-focal area benefits and transformational impact. Funded from the SCCF, the LDCF and the GEF resources, it is supported in the first tranche submitted by the World Bank this week that provides a baseline financing of \$1.8 billion of its own resources. I wish to thank them. In the coming November, other agencies will complete this program by also making substantial contribution to it.

The Work Program before you is the most concrete testimony to the GEF's commitment to effective programming, but the effectiveness and efficiency improvements in GEF-5 will also be secured through a deepening of the role

results-based management will play throughout the network. In this respect, I will mention two information documents which you will find among the documents before you that further detail the GEF's efforts to integrate a results-based management. These documents provide further information on the implementation of the GEF RBM system and our thinking to date on the developing GEF knowledge management initiative. Results-based management requires a solid knowledge management system to ensure that the information required to manage by results is analyzed and organized in a useful manner. I encourage you all to provide your views on the knowledge management document to the secretariat in writing before the end of June, so that we be able to prepare the document of decision for our November council meeting.

Another important step to take to enhance the effectiveness of the GEF is to design a strategy in regards to our interventions alongside the private sector. However, this is easier said than done. Consequently, the strategy you have before you this week does not take bold steps to fully engage the private sector. It does, however, identify the contours of what can be done within the existing parameters. Specifically, we propose to incentivize the use of non-grant instruments to allow us to fund risk guarantee programs, take equity positions, form limited partnerships, or support low-interest loans. I will particularly look to develop programs that employ GEF Resources in the form of loans.

Moving On

With our work this week, we will have fully prepared the GEF to move forward with all the GEF-5 reforms. I will have one final year to set them on a stable track, so I can complete my term with a very good conscience. This brings me to my closing point. As you all know, my term ends next July. It has been a great honor and a wonderful challenge to lead this institution over the past 5 years. I know it has been, at the very least, a great challenge to have worked with me! But seriously, I am proud of what we have accomplished together.

I know I will be leaving my successor in excellent hands with the committed and professional GEF staff. In this regards, I am pleased to announce, for those of you who have not already had the pleasure of meeting him, that the GEF has a new Deputy CEO, Mr. Andre Laperriere. You will all have an opportunity this week to get to know him better, and I am sure you will welcome him warmly into the GEF family.

So, tomorrow morning at 8 am, you will meet in executive session to hear the report of the Selection and Review Committee, which will, among other things, provide you with terms of reference for a new CEO and for a search firm that will

be selected to assist in a process to identify the next GEF CEO. You will be asked to review these ToRs and provide comments in writing after this meeting ends, so that we are ready to launch the search next November.

Finally, and this is my last point, my neighbor and friend Brennan who accompany me through the adventure of the GEF during this past 5 years will leave us this summer to return to UNEP in Nairobi. It's a big loss for me and the GEF will not be the same without her friendly company and protective attitude towards me. I am sure that you will all show her throughout the week, your gratitude in regards to the way she efficiently carried out the council meetings.