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GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Opening Remarks

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

**Expanded Constituency Workshop
Amman, Jordan, Feb. 15, 2012**

Honorable Ministers, Ladies and Gentlemen

Welcome. My name is Monique Barbut and I am the CEO and chairperson of the Global Environment Facility, otherwise known as the GEF. I want to welcome you to this workshop of the Middle East North Africa Constituency.

Today we are going to talk about some specific issues – how to better manage environmental projects; how to get better results from the limited resources we have to invest; how to resolve the technical and managerial challenges that come with this kind of work. But there are broader themes underlying this discussion – themes about the quality of governance and leadership, and the ways in which public endeavors connect with the real lives of real people in your countries.

Viewed through this lens, these themes emerge as core issues for the region. More than ever before in the history of the modern Middle East, the quality of governance in the region is THE central issue. We have just passed the one-year anniversary of the beginning of a historic transformation in the region. The global community has watched with great admiration, and some trepidation, as world-changing events have unfolded in your homelands. As someone born in North

Africa, I have been especially gratified to see the changes that can occur when citizens insist on being heard.

As all of you know, political freedom is hollow without economic opportunity, and in today's world of limited natural resources, economic opportunity and sustainable growth flows from the careful management of those resources. That is precisely what we are about as we work together on projects designed not only to protect our environment but to do so in a way that yields positive economic benefits for real people in the cities, towns, villages and rural areas on the Middle East.

It is, perhaps, worth noting that the Arab Spring was begun by a fruit seller, a small businessman dealing in agricultural products, a person whose livelihood depended upon a functioning agricultural system able to bring a sustainable, renewable product to market in an affordable way.

In the context of the Arab Spring, perhaps the single most important concept I can convey to you today is the idea of *integration*. To succeed in realizing our goals for the environment and sustainable economic growth, we must integrate our activities from the global level to the local level.

The idea behind the Expanded Constituency Workshops of the Country Support Program, now managed by the GEF Secretariat, is to keep all the important stakeholders in our network -- national and convention focal points, as well as civil society -- abreast of our strategies, policies and procedures, and to encourage coordination.

Greater understanding and coordination among the various focal points of each country will generate more integrated approaches. This allows for increased cooperation and exchange of experience among the teams from the participating countries.

By including representatives of civil society, the GEF reaffirms its commitment to full transparency while enabling civil society to better understand the system and contribute to the internal and cross-country discussions. We welcome our civil society friends today. You, as much as the political leaders, represent a direct connection to the people we hope our projects and programs will benefit – the people who have in the past year sacrificed so much to make the Middle East a better place.

The problems we are taking on include air, land, water pollution, increasing risks to farmland brought on by climate change, even national security concerns that arise when economic progress fails to match political progress. I also want to outline future opportunities we have together to bring about more meaningful, results-based change.

Despite the difficult global economic environment, donors have shown confidence in our recent reforms with a record replenishment of the general Trust Fund, pledging \$4.3 billion dollars, a 54% increase in new donor funding over the last four year cycle. Donors also agreed to increases for the GEF's Special Climate Change Fund and the Least Developed Country Fund. Amid this show of confidence, donors continue to face an austere budget environment. In such a climate, it is imperative that we perform in the planning and execution of our projects. We must show strong results from top notch projects to justify the funds being invested.

Here I must tell you that in the Middle East – North Africa Region, we have some work to do. In our most recent annual monitoring analysis under our Results-Based Management program, we found that the MENA region is lagging behind other regions in terms of the satisfactory ratings of its GEF projects. In the Middle East

and North Africa, 70 percent of the 141 projects are rated highly satisfactory, satisfactory or moderately satisfactory. Not bad, but the average across the GEF is 83 percent, and I want to see this region do better.

We are placing the emphasis on results and accountability. So as we look for new projects, we all bear a responsibility to make investments that have multiple and sustainable benefits.

At the Secretariat level, we have further streamlined project review and approval procedures plus other reforms that you will learn more about over the next couple of days. But trust me – these solid reforms have resulted in a system that is more efficient than what you experienced in the past.

We have to be more vigilant than ever to ensure we are making smart choices. To that end it is imperative that the different ministries and stakeholders in each country remain in constant communication with each other to ensure national priorities are being met and that the GEF funding is used to support those priorities. We must target high-quality projects that return to the GEF's founding principles:

- First, GEF projects must be aligned with country development strategies.

- Second, funding *incremental* costs to generate global environmental benefits is the fundamental principle of the GEF. Incremental costs relate, of course, to a baseline project. It is therefore essential for these baseline projects to be clearly identified and for the GEF to build on these existing activities or those that have already been planned. If we compromise on this principle, we will receive projects that have no connection with the real project developers in the countries.
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- Third, we must systematically seek to achieve real impact on the ground, benefiting real people in a tangible way. The GEF cannot continue to finance a whole host of small pilot projects. After 20 years of operations, the GEF must target programs that can significantly transform sectors and activities with measurable impact. In this context, you will hear about our new Programmatic Approach and Results Based Management.
- Fourth, our instrument will have maximum effectiveness if the projects are implemented by the GEF Agencies best qualified to do so. For example, a fisheries project must be implemented by an agency that can provide the expertise, personnel, and resources for this project. This principle is key to promoting the integration of the GEF portfolio into the normal activities of

the Agencies. We therefore intend to adhere to our policy on comparative advantage for the Agencies in GEF-5.

- Lastly, the review of the proposals that we receive will underscore the issue of management fees and costs of our projects. We seek to ensure transparency in order for all to ascertain how these fees are being used and for which activities.

Here is what I expect to see: I want projects on the ground which have a DIRECT impact on people. I am not interested in workshops that enrich consultants. What you need and what I want to approve are projects that people can see, feel and touch – projects which are built on solid baselines that match national strategies led by agencies with the right capabilities. These will be the criteria in which we prioritize projects, nothing more nothing less. And this will be done in an efficient and transparent way that leverages the resources we have for maximum impact.

Just over two-thirds of the GEF projects in MENA are in the biodiversity and climate change fields. The range of activity is impressive, and we cannot ignore the fact that it is taking place in a region that is in the midst of a historic political transition. In Morocco we have the first ever solar thermal plant financed in a developing country. Electricity used to flow under the Mediterranean Sea from Spain to Morocco. Now it flows the other way. In Tunisia we are working on the

North Tunis Wastewater Project, underscoring the increasing importance of urban issues on the GEF's docket in the Mediterranean Basin.

You are familiar with one of our most ambitious efforts under our Programmatic Approach. This is the MENA Desert Ecosystems and Livelihoods Program, with indicative funding to a level of \$21 million, with \$226 million in cofinancing, an impressive eleven-to-one cofinancing ratio.

The program seeks to enhance the livelihoods of people living and working in desert lands by harnessing the ecosystem's value in an environmentally and socially sustainable manner. We are engaged with Algeria, Egypt, Jordan and Morocco in programs addressing sustainable land and agriculture management, land and marine biodiversity conservation, promotion of renewable energy technology, and reduction of vulnerability to climate change. The individual country projects will build on the sustainability of investments in different production sectors, from ecotourism to agriculture to livestock management through an integrated ecosystem management approach. We are emphasizing local and community participation and capacity building. Populations in these areas employ valuable local knowledge and practices adapted to an arid environment. The GEF Programmatic Approach will therefore provide a clear strategic

framework to address deserts as valuable ecosystems, reconciling the needs of local and global communities, along with those of humans and other biota. A separate regional project requesting \$1 million under the LD focal area will facilitate knowledge exchange and integration among the participating countries.

Investments by the GEF in this region have brought together the different themes under our mandate - biodiversity, climate change, land degradation, international waters and chemical pollutants – into integrated strategies that cross local, regional and national boundaries.

One of the trends in this region that is driving political change is growing urbanization. I urge you to look to your urban environments for ideas for projects that can engage government, civil society and the private sector while addressing acute environmental problems which, if addressed, will improve people's lives.

Globally, cities occupy just two percent of the Earth's land but account for 60 to 80 percent of energy consumption and 75 percent of carbon emissions. If left unchecked, urban centers can become natural resource black holes. But they may also help ease the immediate pressure over natural habitats through the reduction in human population density in rural areas.

Let me close by noting that environmental pollution issues worry not only governments but also the general public. Part of what makes GEF a special institution is our respect for civil society who we expect to take an active role in helping to face up to these challenges. Addressing climate change and promoting conservation are not luxuries for the rich. The choices we make can show the world that sustainable development can and should be a driver to power the economy whether it is the local, national or even international level.

Thank you and enjoy the workshop!