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Opening Remarks

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

**NGOs Session
36th Council Meeting
November 9th @ 9:00 am**

Friends: thank you for coming today. I want to also recognize Faizal for organizing today's program; clearly we are here at a pivotal time in our institution's history.

Let there be no doubt that your participation in the GEF-5 replenishment is crucial as we move nearer to the finish line. We have had three meetings so far and a fourth meeting is scheduled for this Friday.

One of the key lessons we have learned during this process is that the ultimate success of the replenishment will depend on the strength of our partnership. And today I think we really are one step closer to success because of the people here in this room.

Already you played a catalytic role in our reform process; let me elaborate for a few minutes on just some of the highlights of what we have accomplished together in three short years:

- We are far more efficient. The time it takes for a full project to get endorsed is now 12 months instead of 44.

- We are more transparent. Since December 2007, the entire world can see the project portfolio of the GEF via the Country Profile Page on the GEF website. Moreover, the Operational Focal Points have also been able to access the details of all their projects that are under processing, so that they can monitor progress to approval. The next step is to give access to the full database in the GEF to the Operational Focal Points so that they can track the status of the portfolio in all focal areas.

These operational successes have translated into environmental benefits:

- GEF financing has provided a key catalyst to the achievement of the target of 10% of the world's terrestrial areas under protection (2,302 protected areas, 634 million hectares). The GEF has been the largest financier of forests with \$1.5 billion granted to forest initiatives, supplemented by more than \$4.5 billion in co-financing.
- In the climate change arena, 2.5 billion tons of CO₂ have been avoided because of GEF projects —and at the right price. Overall, GEF climate change mitigation projects are securing reductions of CO₂ at about \$ 1.62/tCO₂, which compares favorably to, for example, CDM market prices for primary CERs (future delivery), which range from \$7.20 to \$11.50/tCO₂.

- GEF projects have also led to the transfer of more than 30 environmentally sound technologies.
- Finally, GEF's work will lead to the environmentally-sound disposal of at least 35,000 tons of PCB-related waste—along with 15,000 tons of obsolete pesticides.

And now through our collective efforts, we have a system that can be easily ramped up to keep up with the demands of an ambitious replenishment. Part of our vision for GEF-5 is an expanded role for civil society and business. It makes sense to further broaden the partnership to make fuller use of all of its talent and energy.

These changes will allow the GEF to program a higher level of resources even more effectively in GEF-5.

The replenishment discussions have progressed along two main threads: first, how we can further strengthen the GEF partnership; and, second, how the partnership can deliver more benefits for its clients effectively and efficiently. The discussions on both these points are well advanced; we are close to consensus.

On the policy front, GEF-5 will see the beginning of support to countries to prepare on a voluntary basis national GEF business plans that could provide a framework for GEF financing. I should stress that the plans are not mandatory. This recommendation emerges from the OPS4 finding that country ownership is higher where country strategic frameworks provide a roadmap for GEF-financed activities.

There are also proposals to widen the GEF partnership by providing access to more qualified entities; refine the approach to programs, and streamline the project cycle; improving the flexibility of resource allocation system; enhancing the engagement with the private sector; implementing the GEF results-based management framework; and very critical, from your perspective, a proposal to enhance engagement with civil society.

Let me talk more about this last point because it impacts you directly.. As you may have noticed through the various iterations of the programming and policy recommendations documents, we see the role of CSOs as central to our work, and to our future. We envision CSOs as an integral part of the national GEF steering committees that will guide the preparation of the national GEF

business plans. The expanded constituency workshops that are being proposed will include financing for the participation of a representative of civil society in each country delegation. We hope this will allow a better dissemination and understanding of GEF policies and will provide opportunities for exchanges across boundaries within each group.

In this manner there will be a much more direct way to actively participate in the decisions taken on how best to use GEF resources to implement national environmental strategies; this reform will also ensure that the civil society will have a much more active role in project execution.

Now let me turn to another key area of reform that the Council must complete this week: we must decide now on the resource allocation system for GEF-5, our STAR. The resource allocation system has turned out to be the most important tool for enhancing country ownership; its design is a further extension of the improvements we are making to make our partnership with you more inclusive and effective.

We are examining a system that will no longer include a 50% rule or group allocations. That decision has been made. However what we must now

decide is whether we will provide individual country allocations in the land degradation and chemicals focal areas, or continue to apply the system to climate change and biodiversity, only; alternatively, we could agree on a hybrid solution. There are pros and cons on all sides, but it is time now to decide.

Council must also take a decision on the bases for the STAR allocations in the different focal areas. On this point, it will be important to remember that while a resource allocation system does enhance fairness, equity is not the same as equality. The GEF is not development assistance, strictly speaking. The GEF's mandate is to promote global environmental benefits, and the GEF cannot survive; indeed, it has no reason to be, if it ignores its mandate.

The STAR is not the only decision point for this Council meeting. We must also decide on execution arrangements for the SGP and on a proposed policy for upgrading countries within the program. SGP for example is especially useful for small communities and we aim to have an expanded assignment from the core fund. Also, the upgrading of mature country programs will free core fund resources for starting up new programs thus allowing the SGP to cover most interested countries.

We recognize that there is a need to take stock of GEF's engagement with CSOs, and develop a comprehensive approach looking forward. Towards this, the policy recommendations document contains a specific recommendation to develop a proposal for enhancing engagement with civil society. While we look forward to your advice on all aspects of the reform package, I look forward to close collaboration on this.

Now a final word on our expectations with the replenishment. Looking at the big picture on the programming front, we have managed to narrow the range of replenishment targets and we are prepared for Friday's meeting with three scenarios ranging from \$4.5 billion to \$6.5 billion. Our programming approach reflects the lessons and experiences of the last fifteen years and the emerging challenges as expressed through the conventions and national priorities.

We are aiming to complete the replenishment process early next year and be ready to commence GEF-5 in July 2010. I look forward to support through the coming months.

Indeed, I am encouraged that with your ongoing support we will be able to take the GEF to a new level of service to our clients; they need us more than ever to help address global and local environmental challenges.

In closing I would like to quote a saying from Mahatma Gandhi that I think offers inspiration in what are still uncertain financial times: “Be the change you want to see in the world.”

If you are a force of change you can in turn inspire others to help lead the way now, and into the future. We are in this together and I again thank you. I am available to answer questions.