

**STATEMENT BY MR CARLO MONTICELLI**

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Mr Chairman, Madame Chief Executive Officer of the Global Environment Facility, Fellow GEF Representatives, Ladies and Gentlemen,

I am honoured to address the Fifth Assembly of the Global Environment Facility on behalf of the Italian Government. I wish to express my sincere thanks to the Mexican Authorities and the people of Cancun for their very warm hospitality.

The Assembly gathers at a difficult moment. The legacy of the financial crisis is not over yet and is still affecting the entire world at any development stage. These circumstances add further difficulties in dealing with environmental issues. More than ever, this requires major environmental global challenges to be addressed effectively, with focus and commitment, and in partnership with all members of the global community.

In spite of the international economic situation, donors, including Italy, confirmed their support to the GEF Trust Fund at its Sixth Replenishment. That was a strong signal of confidence in the capacity of the Facility to generate global environmental benefits. The GEF is now in the position to increase its activity and scope, and respond to a growing demand for global environmental management.

The agreement on the Sixth Replenishment is based on the understanding that a set of reforms will be implemented to deliver higher impacts in an effective and efficient manner. In this regard, we would like to stress some key points to focus on:

- Differentiation in conditions to access GEF resources, and Focus on Least Developed Countries (LDCs)

While recognising that the allocation of GEF resources is based on global environmental priorities, it should also reflect the economic situation of beneficiary countries. Financing instruments provided should be linked to the recipients' economic strength, with the allocation to LDCs of more resources, that are currently concentrated in few, higher income countries.

We believe, in fact, that countries with greater economic capacity should give a higher financing contribution in order to enable the GEF partnership to achieve greater global environmental benefits.

Emerging economies should consider whether the global role they now play needs to be complemented by increased financial responsibilities. We are pleased to see that in the Sixth Replenishment many of them have considerably stepped up their contributions to the GEF, also as a recognition of the benefits they have received from its activity.

- Engagement of private sector

Long-term, significant impact on the global environment cannot be achieved without private sector involvement. Private enterprises must be encouraged to use more sustainable production processes and pursue commercially viable activities that also generate global environmental benefits. Many companies have already realized the growing significance and urgency of global environmental challenges, and are contributing significantly to environmental sustainable development, also investing in science and technology to support a greener economic growth.

There is large scope for the GEF to enhance its engagement with the private sector. This requires the development of a strategy with a more holistic approach to mainstream private sector engagement across all the GEF focal areas.

- Improving Performance

We welcome the progress accomplished over the last few years. With respect to the past, today the Global Environment Facility is perceived as a more accountable institution. We encourage the

GEF to further streamline the project cycle, simplify and refine its procedures, in order to increase efficiency. Additional actions and innovative instruments should also be explored to improve the sustainability of project outcomes and the impact on Least-Developed Countries and Fragile States, especially in Africa. Moreover, Italy has always advocated for budget discipline in all IFIs: GEF is no exception.

- Poverty alleviation and sustainable development

The environment provides goods and services that are essential for sustaining human development. These are particularly important for people living in poverty, as they often directly depend on a wide range of natural resources and ecosystem services.

As the STAP has highlighted in its study, the GEF can have a catalytic role to integrate environment and development.

Nevertheless, for this to happen, the GEF should focus more on major linkages between environment, sustainable development and poverty.

A more integrated approach has to be promoted between environment benefits, sustainable development and poverty eradication, to maximize synergies among them. The new Integrated Approach Pilot “Sustainability and resilience for food security in sub-Saharan Africa” is an important effort to combine the delivery of environmental benefits with the promotion of sustainable development and poverty eradication.

In this way, we believe the GEF can also become a major player in the context of the post-2015 and strengthen its international relevance. We encourage the GEF to focus more on the important contribution it can give to the agenda.

In concluding, while reiterating the firm commitment of the Italian Government to support the Global Environment Facility in the new challenges of this decade, I wish to express our sincere appreciation to the CEO, Mrs Naoko Ishii, and the women and men in the Secretariat, for their passionate work in contributing to our common goal: to ensure an environmentally friendly development.