

ITALY
STATEMENT TO THE SIXTH GEF ASSEMBLY
Da Nang, Vietnam, 27 – 28 May 2018

We wish to express our appreciation to the Government and the People of Vietnam for hosting this Assembly. Vietnam is one of the most dynamic emerging economies in East Asia, as well as one of the most biologically diverse countries on earth, with less than 1 percent of the world's land but about 10 percent of its species. It is, however, also among the countries most vulnerable to rising waters brought about by higher global temperatures. This is a perfect backdrop for us to renew our pledge to protect our global commons and keep them high on the international agenda, amidst many competing priorities.

The multilateral architecture and the GEF

The entry into force of the Paris agreement on climate and the adoption of UN goals for 2030 aiming at combating poverty and preserving the environment demonstrate that it is possible for the international community to act concretely and ambitiously on common issues. In this context, the GEF remains more relevant than ever. The focus on global environment benefits ensures the added value of the GEF to the international system and sets the GEF apart from other multilateral institutions. Its unique features include its capacity to work across sectors and facilitate synergies, to address the root causes of global environmental degradation, to effectively bring together global agreements and standards with programs and projects in the field, to create an enabling environment through its experience in policy and regulatory reforms, to deliver innovative financing models, and to effectively support LDCs and SIDS.

The successful conclusion of the seventh replenishment of the GEF Trust Fund against a particularly difficult global context does in fact send a strong signal of confidence by donors, including Italy. We congratulate the GEF Team for this important achievement.

The GEF must however adapt to an evolving institutional architecture for the global environment and sustainable development, where a multiplicity of international agencies and conventions calls for enhanced coordination and cooperation.

There is first of all a need to ensure an effective division of labor between the GEF and the Green Climate Fund based on the respective roles and comparative advantages, as well as collaboration, as they both serve as financial mechanisms under the UN Framework Convention to Combat Climate Change.

Likewise, we would encourage cooperation between the GEF and the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes. More than 40% of the world population relies on transboundary water resources, hence managing them should be placed high on the political agenda to promote regional security, stability and sustainable development. The Agenda 2030 does indeed include a sustainable development goal on Water and Sanitation for All, as well as several other SDGs that are directly or indirectly affected by water. The Water Convention may be seen as an instrument for a ‘global water diplomacy’, in particular since it became a universally available legal framework for transboundary water cooperation worldwide.

Going forward

One of the main challenges ahead for the GEF will be to develop an effective strategy for engagement with the private sector, also by overcoming operational restrictions that have constrained the engagement with private partners. Long-term, significant impact on the global environment cannot be achieved without private sector involvement. The international community has reached a consensus that private sector finance must play a critical role to achieve the SDGs and the COP 21 commitments. Private sector finance is more abundant than even the most generous levels of donor contributions. Yet private investment does not always flow to areas of need. The GEF could *inter alia* help bridge the significant gap between demand and supply for private finance and help build a more effective demand in developing and emerging markets.

A fundamental principle guiding multilateral financial institutions’ engagement in private sector operations is additionality. GEF support to private sector operations should make a contribution that is beyond what is available, or is otherwise absent from the market, and should not crowd out the private sector. We expect this to be a core tenet of the new Private Sector Engagement Strategy.

To conclude

A new cycle is about to begin. We look ahead at the GEF focusing on generating high value for money, carrying out the mandate set in the GEF-7 programming directions and policy recommendations by using donor and other resources responsibly and sustainably to achieve the best results for its recipients.