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Global Environment Facility

RISING TO THE GLOBAL ENVIRONMENT CHALLENGE

Update on the GEF Reform Agenda

Monique Barbut
CEO and Chairperson

GEF Council Meeting
Washington DC
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Distinguished Council members:

I am delighted to see all of you around the table, and look forward to a lively exchange over the next few days. Before we start the meeting, I would like to welcome those new Council members who are joining since the last Council meeting:

Australia: James Hall

Bahamas: Donald Cooper

Brazil: Raphael Azeredo

Egypt: Mohamed Sabed Khalil

Eritrea: Mogos Woldeyohannes

Finland: Tiina Jortikka-Laitinen

Moldova: Violeta Ivanov

You are joining at an important time, when public attention to our core issues has been growing exponentially around the globe among citizens and policy makers alike. This new public urgency increases our opportunity and responsibility to act effectively on our mandate.

I take this responsibility very seriously and to that end, when we met in December, I promised to deliver a revitalized GEF to you based on the five elements of our Sustainability Compact: strategy, innovation, equity, accessibility, and focus. Over the next two days, I look forward to discussing with you the package of actions which we are undertaking which I believe are already helping us deliver on that promise.

Let me first take a few minutes to run through the highlights of that package and how they relate to our agenda here. An initial quick tour of the six most critically linked elements of the package, all of which hinge on each other, may help set the context for your reflections.

First, the focal area strategies: In December, we discussed a set of longer-term strategies. Since then, we have built on the roadmap decided during the last replenishment to refine priorities for the GEF-4 period, with an emphasis on selectivity and integration across the focal areas. In addition, we have worked to link them directly to a programmatic approach, and have begun to develop strategic programs in two cross-cutting areas – sustainable forest management and sound chemical management. You have the newly designed strategies before you as *Agenda Item 16*.

Second, the results-based management framework. By working through these refined strategies, and particularly their link to a programmatic approach, we will be able to move forward in accountability and measurement of impacts for GEF work, an area for which there has been a critical gap. You have before you our proposal for a new results-based management framework as *Agenda Item 17*. This framework provides conceptual and methodological building blocks on which the GEF can more effectively measure progress toward results, without which our investment has little sustainable impact.

Third, agency comparative advantage. The strategic approach with its base of programmatic initiatives can only succeed if it is backed by strong agencies with the right skills to support countries in their efforts to achieve results. It is imperative that we apply the right conceptual framework for agency comparative advantage, and to this end we have consulted with all GEF partner agencies and have come up with the proposal for changes spelled out in *Agenda Item 11*, which deals specifically with agencies' operational role. In addition, we will continue to apply the mandate in the Instrument assigning the three Implementing Agencies a core role in GEF policy and strategy. To that end, they will maintain the oversight functions already in place; to facilitate this, the three Agency heads and I will meet following every Council meeting from now onwards.

Fourth, the revised project cycle. However, applying the right agency skill mix to the right set of measurable strategies will only be effective within the context of an effective, sustainable project cycle. Without this element, nothing else makes sense. Our suggested approach, moving to a shortened 22-month cycle while maintaining project quality under Council scrutiny, is presented as *Agenda Item 13*.

Fifth, a work program embedding all of these elements. As a direct result of this process, I am pleased to present you with the first work program for this replenishment period. The work program is ambitious, with three major initiatives -- TerrAfrica, the Small Grants Program, and the Public-Private Partnership Initiative (PPPI), all of which are designed strategically and are structured to demonstrate impacts on a global scale. For the full work program, we request \$561.82 million, nearly a fifth of the GEF-4 programming resources. I am pleased that co-financing for these proposals amounts to more than \$3,400 million, a dramatic increase from \$4 to an unprecedented \$6.40 for every GEF dollar.

Sixth, revitalized Secretariat and more strategic core budget. Some people may feel concerned that these changes I have just described could have a negative effect on country-drivenness and cost-effectiveness. I believe the exact opposite is the case. This package allows us to become a more robustly effective institution better able to serve the countries' direct needs and concerns while better accounting for the real impacts of our investments on the ground.

We must revisit the corporate budget to carry out this package of strategic changes. Within the Secretariat we need to increase our capacity to respond directly to country needs and project effectiveness, through a country commissioner, better monitoring capacity, better country relations, and a more robust external affairs team. I hope you can support this effort by providing a more robust budget suited to these expanded business needs.

Dear friends:

The last six months have been packed, active, and sometimes difficult, as you know, but I believe we are on the right track. I have received recent positive signals, including endorsements from the 53 countries of Sub-Saharan Africa and the 16 island countries of the Pacific for the direction we are trying to take the GEF in those countries. As many of you know from our discussions over the past few weeks, I look forward to this opportunity for you to echo this endorsement here.

Over the next few days, I am at your disposal to explain the elements of this process to you, to spell out and refine areas of concern, and to help ensure that we have the capacity and will to continue on to the next plateau in our drive for GEF excellence.

Now, let's roll up our sleeves and open our notebooks. I am happy to listen to your reflections.