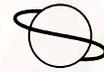


Proceedings of the
First Assembly of the
**Global
Environment
Facility**

New Delhi
1-3 April 1998



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Introduction

Created in 1991, the Global Environment Facility forges international cooperation and finances actions to address biodiversity loss, climate change, degradation of international waters, and ozone depletion within the context of sustainable development. Related activities addressing land degradation are also eligible for GEF funding. By mid-1998, GEF had allocated \$2 billion to more than 500 projects in 119 countries and generated \$5 billion in cofinance.

GEF's system of governance, a Council representing 32 constituency groups and an Assembly of all 164 member states, balances the interests of participants, emphasizes transparency, and promotes participation by non-governmental groups and the private sector.

In April 1998, 119 governments, 16 international organizations, and 185 non-governmental organizations met in New Delhi for the first GEF Assembly. The spirit of this gathering of GEF "shareholders" was extremely positive. In plenary sessions and panels, constituency meetings and press conferences, participants agreed that GEF has come a long way in a short time. They also agreed that it has far to go to apply the many lessons it has learned.

This consensus is reflected in the New Delhi Statement with which we begin this report, issued by the Assembly at the conclusion of its three-day meeting.

Finally, in the words of one country representative...

"...however efficient the GEF may be, however fit the organization, it will not succeed except as part of the widest global effort."

These proceedings of the first GEF Assembly are dedicated to that proposition.

Mohamed T. El-Ashry
Chief Executive Officer & Chairman

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Note to readers: Opening session statements are presented in chronological order. Statements by country representatives are in alphabetical order and appear as provided to the GEF in the language in which they were presented. Panel highlights are based on transcript excerpts and notes from rapporteurs.

New Delhi Statement



विश्व पर्यावरण दिवस
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FACILITY
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The New Delhi Statement of the First GEF Assembly

The Assembly of the Global Environment Facility,
Having met for the first time in New Delhi from April
1-3, 1998,

Expressing its utmost appreciation to the Government
and people of India for hosting the Assembly and for
their generosity, hospitality and the excellent arrange-
ments made available to all participants;

Taking note of the views expressed by Representatives
of GEF participant states at this Assembly;

Recognizing that the GEF is the multilateral funding
mechanism dedicated to promoting global environ-
mental protection within a framework of sustainable
development by providing new and additional grant
and concessional funding;

Recognizing also that its beneficiaries are all people of the
globe, and that the need for the GEF is even greater
as we enter the new millennium given the state of
the global environment and of underdevelopment;

Stressing that the GEF is a unique and successful
example of international cooperation that offers
lessons for other endeavors;

Affirming the significant role of the GEF in supporting
the objectives of agreed global environmental con-
ventions and protocols, such as the Convention on
Biological Diversity, the UN Framework Convention
on Climate Change and the Kyoto Protocol, the
Vienna Convention and the Montreal Protocol on
Substances that Deplete the Ozone Layer, and the UN
Convention to Combat Desertification;

Acknowledging the significant progress that has been
made by the GEF, its implementing agencies (UNDP,
UNEP and the World Bank), and the Secretariat, in the
four years since the restructuring in its organization
and management, in establishing its institutional and
operational framework, and in supporting developing
countries and countries with economies in transition
in their efforts for global environmental improve-
ments and in implementing the Rio conventions;

Acknowledging further the excellent work of the Scien-
tific and Technical Advisory Panel (STAP) in provid-
ing strategic advice and in reviewing projects;

Welcoming the Second Replenishment of the GEF
Trust Fund of US\$2.75 billion which will enable the
GEF to continue its successful efforts to promote global
environmental goals and sustainable development;

Taking note of Council's decisions and drawing, as
appropriate, upon analyses and recommendations
from the *Study of GEF's Overall Performance*, the *Study
of GEF Project Lessons*, the *GEF Project Implementation
Review*, and the *CEO's Report on the Policies, Operations
and Future Development of the GEF*;

Agrees that for the GEF to meet its deepening poten-
tial and fulfill its multiple missions:

1. GEF should remain a facility at the cutting edge,
innovative, flexible and responsive to the needs of
its recipient countries, as well as a catalyst for other
institutions and efforts.
2. GEF activities should be country-driven and efforts
should be strengthened to achieve country owner-
ship of GEF projects. To achieve this,
 - a. GEF activities should be based on national prior-
ities designed to support sustainable develop-
ment and the global environment;
 - b. GEF should develop and implement a strategy
for greater outreach and communication which
targets GEF's multiple constituencies, with a view
to enhancing global awareness of the global envi-
ronment and the GEF, and should increase con-
sultations with non-governmental organizations
(NGOs) and local communities concerning GEF
activities
 - c. GEF should develop and implement an action
plan to strengthen country-level coordination
and to promote genuine country ownership of
GEF-financed activities, including the active
involvement of local and regional experts and

community groups in project design and implementation.

3. GEF should increase efforts towards ensuring the sustainability of the global environment benefits generated by GEF financing and should act as a catalyst to bring about longer-term coordinated efforts with other funders for capacity building and training.
4. GEF should streamline its project cycle with a view to making project preparation simpler, transparent and more nationally-driven.
5. GEF should undertake longer-term planning and multi-year support programs with a view to maximizing global environmental benefits.
6. While recognizing the importance of the principle of incremental costs for the GEF, its definition should be made more understandable. GEF should make the process of determining incremental costs more transparent and its application more pragmatic.
7. GEF should be a learning entity and should strengthen its monitoring and evaluation functions and increase efforts to disseminate lessons learned from its experience in implementing its portfolio of projects and to stimulate the transfer and adoption of new technologies by recipient countries.
8. In consultation with the Secretariat of the UN Convention to Combat Desertification, GEF should seek to better define the linkages between land degradation, particularly desertification and deforestation, and its focal areas and to increase GEF support for land degradation activities as they relate to the GEF focal areas.
9. GEF implementing agencies should promote measures to achieve global environmental benefits within the context of their regular programs and consistent with the global environmental conventions while respecting the authority of the governing bodies of the implementing agencies.
10. GEF should build strong relationships and networks with the global scientific community, especially with national scientists and scientific institutions in recipient countries.
11. GEF should promote greater coordination and co-financing of its activities from other sources, including bilateral funding organizations, and should expand opportunities for execution of activities by those entities referred to in paragraph 28 of the Instrument, in particular the Regional Development Banks and non-governmental organizations.
12. GEF should strive to mobilize additional resources from both public and private sources. The GEF, as a platform for technological change, should also explore new opportunities for private sector partnerships as well as private-public joint ventures.

Declaración de Nueva Delhi formulada en la Primera Asamblea del FMAM

La Asamblea del Fondo para el Medio Ambiente Mundial,

Habiéndose reunido por primera vez en Nueva Delhi del 1 al 3 de abril de 1998,

Expresando su más profundo agradecimiento al Gobierno y al pueblo de la India, anfitriones de la Asamblea, por su generosidad y hospitalidad y por los excelentes preparativos y servicios puestos a disposición de los participantes;

Tomando nota de las opiniones expresadas por los representantes de los Estados participantes en el FMAM presentes en esta Asamblea;

Reconociendo que el FMAM es el mecanismo de financiamiento multilateral dedicado a promover la protección del medio ambiente mundial en el marco de un desarrollo sostenible otorgando recursos financieros nuevos y adicionales en forma de donación y fondos concesionarios;

Reconociendo también que sus beneficiarios son todos los habitantes del planeta y que el FMAM es todavía más necesario al acercarse el nuevo milenio, en vista de los actuales problemas del medio ambiente mundial y del subdesarrollo;

Subrayando que el FMAM es un ejemplo singular y fecundo de cooperación internacional que permite extraer enseñanzas para otras iniciativas;

Afirmando la importante labor de respaldo realizada por el FMAM en pro de los objetivos formulados en las convenciones, convenios y protocolos aprobados sobre el medio ambiente mundial, tales como el Convenio sobre la Biodiversidad Biológica, la Convención Marco de las Naciones Unidas sobre el Cambio Climático y el Protocolo de Kyoto, la Convención de Viena y el Protocolo de Montreal sobre las sustancias que agotan la capa de ozono y la Convención de las Naciones Unidas de lucha contra la desertificación;

Reconociendo el notable progreso que ha hecho el FMAM, sus organismos de ejecución (el PNUD, el PNUMA y el Banco Mundial) y la Secretaría durante los cuatro años transcurridos desde la reestructuración de su

organización y administración en el establecimiento de su estructura institucional y operacional y en su labor de respaldo a los países en desarrollo y con economías en transición en sus esfuerzos por lograr mejoras en el medio ambiente mundial y en la aplicación del convenio y las convenciones de Río de Janeiro;

Reconociendo, además, la excelente labor desempeñada por el Grupo Asesor Científico y Tecnológico (STAP) como fuente de asesoramiento estratégico y en el examen de los proyectos;

Acogiendo con beneplácito la segunda reposición de los recursos del Fondo Fiduciario del FMAM, por valor de US\$2.750 millones, que permitirá al FMAM continuar sus exitosos esfuerzos para promover las metas relativas al medio ambiente mundial y el desarrollo sostenible;

Tomando nota de las decisiones del Consejo y recurriendo, en caso necesario, a los análisis y recomendaciones del *Estudio sobre los resultados globales del FMAM*, el *Estudio sobre las enseñanzas aprendidas de los proyectos del FMAM*, el *Examen de la ejecución de los proyectos del Fondo para el Medio Ambiente Mundial* y el *Informe del Funcionario Ejecutivo Principal sobre las políticas y operaciones del FMAM y su evolución futura*;

Conviene en que, para que el FMAM pueda hacer realidad su creciente potencial y cumplir sus múltiples misiones:

1. El FMAM debería seguir siendo una entidad de avanzada, innovadora y flexible, que responda a las necesidades de los países receptores, y un catalizador de actividades y esfuerzos por parte de otras instituciones.
2. Las actividades del FMAM deberían ser propuestas o ser emprendidas por iniciativa de los países, y deberían redoblar los esfuerzos para que los países se identifiquen con los proyectos del FMAM. Para ello,
 - a. las actividades del FMAM deberían basarse en prioridades nacionales que tengan por objeto respaldar los programas en pro del desarrollo sostenible y el medio ambiente mundial;

- b.** el FMAM debería formular y poner en práctica una estrategia para ampliar los contactos y las comunicaciones con los diversos grupos de países representados, con miras a lograr una mayor sensibilización global con respecto al medio ambiente mundial y al FMAM; además, debería intensificar las consultas con las organizaciones no gubernamentales (ONG) y las comunidades locales en lo que respecta a sus actividades;
- c.** el FMAM debería preparar y poner en práctica un plan de acción para fortalecer la coordinación a nivel de los países y para fomentar una auténtica identificación de éstos con los objetivos de las actividades financiadas por el FMAM, que incluya la participación activa de expertos nacionales y regionales, así como de las agrupaciones comunitarias en el diseño y la ejecución de los proyectos.
- 3.** El FMAM debería intensificar sus esfuerzos tendientes a asegurar la sostenibilidad de los beneficios para el medio ambiente mundial generados con sus actividades de financiamiento; asimismo, debería actuar como catalizador para la realización de esfuerzos coordinados a más largo plazo con otras entidades que aporten financiamiento para fines de creación de capacidad y capacitación.
- 4.** El FMAM debería racionalizar el ciclo de los proyectos con miras a simplificar la preparación de éstos, aumentar su transparencia y tomar más en cuenta las iniciativas nacionales.
- 5.** El FMAM debería emprender una planificación a más largo plazo y programas de apoyo de varios años de duración con el objeto de multiplicar los máximos beneficios para el medio ambiente mundial.
- 6.** Si bien se reconoce la importancia que reviste para el FMAM el principio de los costos incrementales, su definición debería resultar más fácilmente comprensible. El FMAM debería tomar medidas para que el proceso de determinación de los costos incrementales sea más flexible y su aplicación más pragmática.
- 7.** El FMAM debería ser una entidad de adquisición y difusión de conocimientos, y debería intensificar sus funciones de vigilancia y evaluación, así como sus esfuerzos por diseminar las enseñanzas recogidas en la ejecución de los proyectos en cartera, y fomentar la transferencia y adopción de nuevas tecnologías en los países receptores.
- 8.** En consulta con la Secretaría de la Convención de las Naciones Unidas de lucha contra la desertificación, el FMAM debería tratar de delimitar más claramente los vínculos existentes entre la degradación de tierras, sobre todo la desertificación y la deforestación, y sus esferas de actividad, e incrementar su respaldo a las actividades para combatir la degradación de tierras en la medida que guarden relación con dichas esferas de actividad.
- 9.** Los organismos de ejecución del FMAM deberían promover la adopción de medidas destinadas a lograr beneficios para el medio ambiente mundial en el contexto de sus programas de trabajo ordinarios y que sean compatibles con los convenios y convenciones sobre el medio ambiente mundial, sin menoscabo de la autoridad de los órganos rectores de los organismos de ejecución.
- 10.** El FMAM debería establecer relaciones y redes más sólidas con los círculos científicos internacionales, sobre todo con científicos e instituciones científicas de los países receptores.
- 11.** El FMAM debería promover una mayor coordinación y cofinanciamiento de sus actividades con otras fuentes, incluidas las organizaciones de financiamiento bilaterales; además, debería ampliar las oportunidades para una mayor participación en las actividades por parte de las entidades a las que se hace referencia en el párrafo 28 del Instrumento, sobre todo los bancos regionales de desarrollo y las ONG.
- 12.** El FMAM debería redoblar sus esfuerzos para movilizar recursos adicionales de fuentes tanto públicas como privadas. El Fondo, actuando como plataforma para el cambio tecnológico, debería explorar también nuevas oportunidades para establecer alianzas con el sector privado y para realizar operaciones conjuntas con los sectores público y privado.

Première Assemblée du FEM

Déclaration de New Delhi

L'Assemblée du Fonds pour l'environnement mondial, Réunie pour la première fois à New Delhi du 1er au 3 avril 1998,

Exprimant sa profonde gratitude au Gouvernement et au peuple de l'Inde pour avoir accueilli l'Assemblée et les *remerciant* vivement de leur générosité et des dispositions remarquables prises à l'égard de tous les participants;

Prenant note des points de vue exprimés à l'Assemblée par les représentants des États participant au FEM;

Reconnaissant que le FEM est le mécanisme de financement multilatéral qui a pour mission de promouvoir la protection de l'environnement mondial, dans le cadre d'un développement durable en fournissant des ressources nouvelles et supplémentaires à titre gracieux ou à des conditions libérales;

Reconnaissant également que l'action du FEM profite à tous les habitants de la planète et qu'elle répond plus que jamais à une nécessité, à l'aube du nouveau millénaire, compte tenu de l'état de l'environnement mondial et de la situation de sous-développement;

Soulignant que le FEM constitue un modèle éprouvé et unique en son genre de coopération internationale qui pourrait servir d'exemple à d'autres actions;

Soulignant aussi l'importance du rôle joué par le FEM dans l'aide qu'il apporte à la réalisation des objectifs des conventions et protocoles sur l'environnement mondial, tels que la Convention sur la diversité biologique, la Convention-cadre des Nations Unies sur les changements climatiques et le Protocole de Kyoto, la Convention de Vienne et le Protocole de Montréal relatif à des substances qui appauvrissent la couche d'ozone, et la Convention des Nations Unies sur la lutte contre la désertification;

Reconnaissant les progrès considérables accomplis par le FEM, ses Agents d'exécution (PNUD, PNUE et Banque mondiale) et son Secrétariat au cours des quatre années écoulées depuis sa restructuration, en ce qui concerne son mode d'organisation et de gestion, la mise en place de son cadre institutionnel et opéra-

tionnel et l'appui aux efforts déployés par les pays en développement et les économies en transition pour améliorer la protection de l'environnement mondial et appliquer les Conventions de Rio;

Rendant hommage à l'excellence du travail réalisé par le Groupe consultatif pour la science et la technologie (STAP), qui fournit des conseils stratégiques et examine les projets;

Se félicitant de la Deuxième reconstitution des ressources de la Caisse du FEM à hauteur de 2,75 milliards de dollars, ce qui permettra au Fonds de continuer d'oeuvrer efficacement à la réalisation des objectifs de protection de l'environnement mondial et de développement durable;

Prenant note des décisions du Conseil et s'appuyant, autant que de besoin, sur les analyses et les recommandations découlant du *Bilan global du fonctionnement du FEM*, de l'*Étude des enseignements des projets du FEM*, de l'*Examen de l'état d'avancement des projets du FEM* et du *Rapport du Directeur général sur les politiques, les opérations et l'avenir du FE*;

Convient que pour donner toute la mesure de ses moyens grandissants et accomplir ses multiples missions :

1. Le FEM doit rester un organisme à la pointe du progrès, novateur, souple et attentif aux besoins de ses pays bénéficiaires, tout en étant le catalyseur d'autres institutions et d'autres initiatives.
2. Les projets du FEM doivent être entrepris à l'initiative des pays et un plus grand effort doit être fait pour que les pays s'identifient pleinement à l'action menée. À cette fin,
 - a. Les activités du FEM doivent correspondre à des priorités nationales servant la cause du développement durable et de la protection de l'environnement mondial;
 - b. Le FEM doit mettre au point et exécuter une stratégie plus large d'information et de communication pour toucher ses multiples partenaires, afin de sensibiliser davantage le monde à la pro-

tection de la planète et à l'action qu'il mène, et doit davantage consulter les organisations non gouvernementales (ONG) et les populations locales sur ses activités;

- c.** Le FEM doit élaborer et exécuter un plan d'action visant à renforcer la coordination au niveau national et à encourager les pays à s'investir réellement dans les activités qu'il finance, notamment sous la forme d'une participation active d'experts locaux et régionaux et de groupes communautaires à la conception et à l'exécution des projets.
- 3.** Le FEM doit redoubler d'efforts pour assurer la pérennité des effets positifs sur l'environnement mondial obtenus grâce à ses financements et jouer un rôle moteur pour susciter des actions coordonnées, à plus long terme, avec d'autres bailleurs de fonds en vue de renforcer les capacités et de dispenser la formation nécessaire.
- 4.** Le FEM doit alléger le cycle de ses projets afin de simplifier le travail de préparation, le rendre plus transparent et le faire davantage piloter par les pays bénéficiaires.
- 5.** Le FEM doit procéder à une planification à plus long terme et entreprendre des programmes d'aide pluriannuels en vue d'obtenir le maximum d'effets positifs sur l'environnement mondial.
- 6.** Tout en reconnaissant l'importance du principe du surcoût pour le FEM, il faut en simplifier la définition. Le FEM doit assouplir son mode de calcul du surcoût et l'appliquer de façon plus pragmatique.
- 7.** Le FEM doit être une source de savoir, renforcer ses fonctions de suivi et d'évaluation, et s'efforcer plus activement de diffuser les enseignements tirés de l'expérience qu'il acquiert en exécutant ses divers projets et d'encourager le transfert et l'adoption de nouvelles technologies par les pays bénéficiaires.
- 8.** En consultation avec le Secrétariat de la Convention des Nations Unies sur la lutte contre la désertification, le FEM doit s'efforcer de mieux définir les liens existant entre le secteur de la dégradation des sols, en particulier la désertification et le déboisement, et ses domaines d'intervention, et d'accroître son soutien aux activités menées dans ce secteur, dans la mesure où de tels liens existent.
- 9.** Les Agents d'exécution du FEM doivent encourager l'adoption de mesures visant à une meilleure protection de l'environnement mondial dans le cadre de leurs programmes ordinaires et conformément aux conventions relatives à l'environnement mondial sans porter atteinte aux pouvoirs de leurs organes de direction.
- 10.** Le FEM doit établir des relations étroites et des réseaux solides avec la communauté scientifique mondiale, en particulier avec les chercheurs et les instituts de recherche des pays bénéficiaires.
- 11.** Le FEM doit promouvoir davantage la coordination et le cofinancement de ses activités par d'autres organismes, notamment dans le cadre bilatéral, et offrir davantage de possibilités d'exécution de ses projets aux entités visées au paragraphe 28 de l'Instrument, en particulier aux banques de développement régionales et aux organisations non gouvernementales.
- 12.** Le FEM doit s'efforcer de mobiliser des financements supplémentaires auprès de sources tant publiques que privées. En tant que vecteur du changement technologique, il doit également rechercher de nouvelles possibilités de partenariats avec le secteur privé et d'associations entre les secteurs public et privé.

全球环境基金（GEF）首届大会新德里宣言

全球环境基金大会于1998年4月1日至3日在新德里召开首届会议。

大会对印度政府和人民为举办这次会议所作出的努力和热情好客以及为所有与会者作的精心安排表示最衷心的感谢。

大会听取了GEF参加国代表在会上表达的观点。

大会认识到，GEF为多边融资机制，致力于通过提供新的和额外赠款以及优惠融资，在可持续发展框架内促进保护全球环境。

认识到，收益方为全球所有人民，鉴于全球环境和欠发展的状况，我们在迈向新纪元之际更加需要GEF。

强调GEF是国际合作的独特和成功的范例，为其它作为提供了借鉴。

重申GEF在支持实现所达成的全球环境公约目标中起到的举足轻重作用，诸如生物多样性公约、联合国气候变化框架公约和京都条约、维也纳公约和蒙特利尔消除破坏臭氧层物质条约、联合国抗衡沙漠化公约。

认知GEF及其实施机构（联合国开发计划署、环境规划署和世界银行）以及秘书处自四年前调整组织和管理、在建立机构和业务框架和支持发展中国家和经济转轨国家配合全球改善环境和实施里约热内卢公约以来取得的显著成就。

进一步认知科技顾问小组（STAP）就提供战略咨询和审议项目所作的优异工作。

欢迎GEF信托基金第二次增资27.5亿美元，这将使GEF能继续成功地促进实现全球环境目标和可持续发展。

听取了理事会根据GEF总业绩研究、GEF项目经验教训研究、GEF项目实施审议和首席执行官关于GEF政策、业务和今后发展报告中的分析和建议所作出的决定。

同意，为使GEF发挥其潜力和完成其肩负的多重使命：

1. GEF应保持其处于领先地位的融资机制，富有创新、灵活，能对受援国的需求作出反应并就其它机构和努力起到催化作用。
2. GEF的活动应由受援国驱动，应加强努力实现受援国拥有项目。为实现这一目标，
 - (a) GEF活动应以国别发展重点为基础，旨在支持可持续发展和保护全球环境，
 - (b) GEF应制定并实施扩大影响和沟通（侧重于各出资方）的战略，目的是提高全球对全球环境和GEF的认识。应就GEF活动扩大与非政府组织和当地社区的磋商，
 - (c) GEF应制定和实施一项行动计划，旨在增强国别一级的协调和促进使受援国切实拥有GEF资助的活动，这包括使当地和地区专家以及社区团体积极参与项目设计和实施。
3. GEF应进一步努力确保由GEF资助所产生的全球环境利益持之以恒，应为与其它出资方就能力建设和培训产生长期内的协调努力起到催化作用。
4. GEF应缩短项目周期，目的是使项目准备工作简要、富有透明度和更加由受援国驱动。
5. GEF应进行长期计划和实施多年度支持规划，目的是最大限度地实现全球环境利益。
6. 虽然认识到GEF递增成本原则的重要性，但应对此原则作出更使人容易理解的定义。GEF应使决定递增成本的过程更有透明度，在运用这一原则时更结合实际。
7. GEF应成为一个不断加强学习的实体，应加强其监督和评价的作用，努力传播在实施各个项目过程中所积累的经验，促进向受援国转移和运用新技术。
8. 在与联合国抗衡沙漠化公约秘书处磋商之下，GEF应更好地定义土地退化

（特别是沙漠化和砍伐森林）与其四个重点领域的联系，提高GEF对治理土地退化活动的支持，因为这些活动与GEF重点领域活动密切相关。

9. GEF实施机构应促进旨在其正常规划范畴内实现全球环境利益和与全球环境公约相一致的措施，同时尊重实施机构管理部门的权力。

10. GEF应与全球科学界建立强有力的关系和网络，特别是受援国全国一级的科技机构及科学家。

11. GEF应加强与来自其它渠道的活动及联合融资的协调，其中包括双边融资机构，应扩大议定书第28段提到的实体执行活动的机会，特别是地区开发银行和非政府组织。

12. GEF应致力于从公共和私人渠道筹集额外资金。作为技术更新的前沿，GEF也应探索与私人部门建立伙伴关系以及私人-公共部门合资企业的机会。

بيان الاجتماع الأول للجمعية العمومية لصندوق البيئة العالمية الذي عقد في نيودلهي

ان الجمعية العمومية لصندوق البيئة العالمية،

وبعد انعقادها لأول مرة في نيودلهي في الفترة ١-٣ أبريل ١٩٩٨،

وازتعرب عن عميق تقديرها وشكرها لحكومة وشعب الهند لاستضافتهما لاجتماع الجمعية هذا ولما أحاطوها به من الرعاية وحسن الضيافة والترتيبات الممتازة التي أتاحت لكافة المشاركين في هذا الاجتماع،

واشارة للأراء ووجهات النظر التي أعرب عنها ممثلو البلدان المشتركة في صندوق البيئة العالمية في اجتماع الجمعية العمومية هذا،

واقراراً بأن صندوق البيئة العالمية هو آلية التمويل المتعددة الأطراف المكرسة لتشجيع ورعاية أنشطة حماية البيئة العالمية في اطار التنمية القابلة للاستمرار، وذلك عن طريق اتاحة المنح والموارد التمويلية بشروط ميسرة، الجديدة والاضافية.

واقراراً أيضاً بأن المنتفعين من الصندوق هم كافة شعوب العالم، وبأن الحاجة الى الصندوق تتزايد مع اقتراب الألفية الجديدة في ضوء أوضاع البيئة العالمية وعدم كفاية التنمية،

وهي اذ تؤكد على أن الصندوق مثال ناجح وفريد على التعاون الدولي الذي يتيح العبرة التي تقتدي بها الجهود والمسااعي الأخرى،

ومع التأكيد على الدور الهام الذي يسهم به الصندوق في مساندة أهداف الاتفاقيات والبروتوكولات المنفق عليها بشأن البيئة العالمية، مثل الاتفاقية المتعلقة بالتنوع البيولوجي، واتفاقية الأمم المتحدة الاطارية بشأن تغير المناخ، وبروتوكول كيوتو، واتفاقية فيينا، وبروتوكول مونتريال المتعلق بالموارد المستنفدة لطبقة الأوزون، واتفاقية الأمم المتحدة لمكافحة التصحر.

واعترافاً بالتقدم الكبير الذي أحرزه كل من الصندوق، والهيئات المسؤولة عن تنفيذ عملياته (برنامج الأمم المتحدة الإنمائي، وبرنامج الأمم المتحدة للبيئة، والبنك الدولي)، وسكرتارية الصندوق في السنوات الأربع التي انقضت منذ إعادة هيكلة الصندوق في مجال تنظيمه وإدارته، وفي إطاره المؤسسي وإطار عملياته، وفي مساندة البلدان النامية والاقتصادات السائرة على طريق التحول إلى نظام السوق في ما تبذله من جهود لتحسين البيئة العالمية وتنفيذ اتفاقيات ريو دي جانيرو،

واعترافاً أيضاً بالعمل الممتاز الذي أُسيمت به البيئة الاستشارية العلمية والفنية في إتاحة المشورة بشأن الاستراتيجيات وفي استعراض المشروعات،

وإذ ترحب بالعملية الثانية لتجديد موارد الصندوق الاستثماري لصندوق البيئة العالمية بمبلغ ٢٥٧ بليون دولار من شأنه أن يمكن الصندوق من مواصلة جهوده الناجحة في تشجيع ورعاية الأهداف البيئية العالمية والتنمية القابلة للاستمرار،

وأشارة إلى قرار مجلس الصندوق واعتماداً، حسب المقتضى، على التحليلات والتوصيات الواردة في دراسة عن الأداء العام لصندوق البيئة العالمية، ودراسة عن الدروس المستفادة من مشروعات صندوق البيئة العالمية، وتقرير المدير العام عن السياسات العامة والعمليات والتطور المستقبلي لصندوق البيئة العالمية، توافق على أنه لكي يتمكن صندوق البيئة العالمية من الوفاء بإمكاناته المتعمقة وبرسالته المتعددة الجوانب:

١- يجب أن يظل الصندوق متمتعاً بقصب السبق، وقادراً على الابتكار، والمرونة والاستجابة لاحتياجات البلدان المتلقية للمساعدات منه، فضلاً عن مواصلة كونه العامل المحفز للمؤسسات والجهود الأخرى.

٢- ينبغي أن تكون أنشطة الصندوق بدافع من البلدان المعنية كما ينبغي تدعيم الجهود المبذولة لتحقيق ملكية البلدان المعنية لمشروعات الصندوق والتزامها بها. ولكي يتحقق ذلك:

(أ) يجب أن تستند أنشطة الصندوق إلى أولويات البلدان المعنية التي تستهدف مساندة التنمية القابلة للاستمرار والبيئة العالمية،

(ب) ينبغي على الصندوق وضع وتنفيذ استراتيجية لزيادة نطاق التواصل والاتصالات التي تستهدف المجموعات المتعددة من البلدان المشتركة في الصندوق، بهدف تعزيز الوعي عالميا بقضايا البيئة العالمية وبالصندوق، كما ينبغي أن يزيد الصندوق المشاورات مع المنظمات غير الحكومية والمجتمعات المحلية بشأن أنشطته،

(ج) وعلى الصندوق وضع وتنفيذ خطة عمل لتدعيم التنسيق على مستوى البلدان وتشجيع الملكية الحقيقية من جانب البلدان للأنشطة التي يمولها الصندوق، شاملة المشاركة النشطة من جانب الخبراء المحليين والإقليميين وفئات المجتمعات المحلية في وضع تصاميم المشروعات وتنفيذها.

٣- ينبغي على الصندوق زيادة بذل الجهود لضمان قابلية استمرار المنافع البيئية العالمية التي تتحقق من تمويل الصندوق للأنشطة والمشروعات المعنية، كما يجب أن يعمل كمحفز لتحقيق تنسيق الجهود على الأمد الطويل مع الجهات التمويلية الأخرى بشأن أنشطة بناء وتطوير القدرات المؤسسية والتدريب.

٤- ينبغي على الصندوق تبسيط دورة مشروعاته بهدف جعل اعداد المشروعات أكثر بساطة وشفافية وزيادة كونها بدافع من البلدان المعنية.

٥- ينبغي على الصندوق وضع خطط أطول أجلا وبرامج مساندة متعددة السنوات بهدف تحقيق الحد الأقصى من المنافع البيئية العالمية.

٦- ومع الاقرار بأهمية مبدأ التكاليف الإضافية بالنسبة للصندوق، يجب جعله أكثر قابلية للفهم. كما ينبغي على الصندوق جعل عملية تحديد التكاليف الإضافية أكثر شفافية وجعل تنفيذها أكثر عملية وواقعية.

٧- ويجب أن يكون الصندوق هيئة تعلم وأن يدعم ميامه ووظائفه الرصدية والتقييمية وأن يزيد الجهود المبذولة لتعميم الدروس المستفادة من خبرته العملية في تنفيذ حافظة مشروعاته وأن يحفز نقل التكنولوجيات الجديدة واعتماد البلدان المتلقية للمساعدات منه لهذه التكنولوجيات.

٨- وبالتشاور مع سكرتارية اتفاقية الأمم المتحدة لمكافحة التصحر، ينبغي على الصندوق السعي لتحسين تحديد الروابط فيما بين تدهور الأراضي، ولا سيما التصحر وازالة الغابات، ومجالات تركيز عمله، وذلك بهدف زيادة مساندة الصندوق للأنشطة المعنية بمكافحة تدهور الأراضي قدر صلتها بمجالات تركيز عمله.

٩- ينبغي على الهيئات المسؤولة عن تنفيذ عمليات الصندوق تشجيع اتخاذ اجراءات لتحقيق المنافع البيئية العالمية في سياق برامجها العادية وبالانساق مع الاتفاقيات المعنية بالبيئة العالمية، مع احترام ومراعاة سلطات وصلاحيات المجالس الحاكمة لهذه الهيئات.

١٠- ينبغي على الصندوق اقامة علاقات وشبكات قوية مع جماعة الأكاديميين العالمية، ولا سيما مع العلماء والمؤسسات العلمية في البلدان المتلقية للمساعدات منه.

١١- ينبغي على الصندوق تشجيع زيادة التنسيق وأنشطة التمويل المشترك من مصادر أخرى، شاملة هيئات التمويل الثنائية، كما ينبغي على الصندوق أن يوسع فرص أنشطة التوعية من جانب الهيئات المشار إليها في الفقرة ٢٨ من وثيقة انشاء الصندوق، وبصفة خاصة بنوك التنمية الاقليمية والمنظمات غير الحكومية.

١٢- ينبغي على الصندوق السعي لتعبئة الموارد التمويلية الاضافية من مصادر عامة وخاصة على السواء. وينبغي على الصندوق، بوصفه منصة انطلاق التغيير التكنولوجي، استطلاع فرص جديدة لاقامة شراكات مع القطاع الخاص فضلا عن المشروعات المشتركة بين القطاعين العام والخاص.

ЗАЯВЛЕНИЕ ПЕРВОЙ АССАМБЛЕИ ГЭФ В НЬЮ-ДЕЛИ

Ассамблея Глобального экологического фонда,

состоявшаяся впервые в Нью-Дели с 1 по 3 апреля 1998 года,

выражая свою искреннюю признательность Правительству и народу Индии за оказанный Ассамблее прием, а также за проявленное радушие, гостеприимство и прекрасную организацию мероприятий для всех участников,

учитывая мнения, выраженные представителями государств-членов ГЭФ на данной Ассамблее,

признавая, что ГЭФ является многосторонним механизмом финансирования, призванным содействовать глобальной природоохранной деятельности в соответствии с принципами устойчивого развития путем предоставления нового и дополнительного финансирования в виде грантов и льготных кредитов,

признавая также, что его деятельность направлена на благо всех народов планеты, и что необходимость в существовании ГЭФ, учитывая состояние глобальной окружающей среды и недостаточный уровень развития, еще более возрастает по мере того, как мы вступаем в новое тысячелетие,

выделяя тот факт, что ГЭФ представляет собой уникальный пример успешного международного сотрудничества, опыт которого может служить примером для других начинаний,

подтверждая значительную роль ГЭФ в поддержании целей, изложенных в утвержденных конвенциях и протоколах по охране глобальной окружающей среды, таких как Конвенция о биологическом разнообразии, Рамочная Конвенция ООН об изменении климата и Протокол Киото, Венская Конвенция и Монреальский протокол по веществам, разрушающим озоновый слой, а также Конвенция ООН по борьбе с опустыниванием,

признавая значительные успехи ГЭФ, его исполнительных учреждений (ПРООН, ЮНЕП и Всемирного банка), а также Секретариата, достигнутые за четыре года со времени реорганизации его структуры и управления, в создании институциональных и оперативных рамок и в оказании помощи развивающимся странам и странам с переходной экономикой в их деятельности, направленной на оздоровление глобальной окружающей среды и выполнение конвенций, заключенных в Рио-де-Жанейро,

признавая далее прекрасные результаты работы, проведенной Научно-техническим консультационным советом (СТАП) в области предоставления стратегических консультаций и изучения проектов,

приветствуя второе пополнение резервов Трастового фонда ГЭФ в объеме 2,75 млрд долларов, которое позволит ГЭФ продолжить успешную деятельность по решению задач охраны глобальной окружающей среды и устойчивого развития,

учитывая решения Совета и надлежащим образом принимая во внимание результаты аналитической работы и рекомендации *Отчета о работе ГЭФ, Исследования уроков опыта реализации проектов ГЭФ, Оценки реализации проекта ГЭФ и Доклада главного исполнительного директора по вопросам политики, операций и будущего развития ГЭФ,*

признает, что в целях реализации растущего потенциала ГЭФ и выполнения его многочисленных задач:

1. ГЭФ должен оставаться передовой, новаторской и гибкой организацией, чутко реагирующей на потребности стран-получателей, а также способствовать развитию деятельности других учреждений и проведению других мероприятий.

2. Деятельность ГЭФ должна определяться потребностями стран, следует также активизировать усилия по обеспечению причастности стран к реализации проектов ГЭФ. Для этого необходимо следующее:

- (а) деятельность ГЭФ должна основываться на национальных приоритетах, направленных на поддержку устойчивого развития и оздоровление глобальной окружающей среды,

- (b) ГЭФ должен разработать и реализовать стратегию более полного охвата и информационного обеспечения, направленную на многочисленные группы стран в составе ГЭФ, с целью привлечения внимания мировой общественности к вопросам глобальной окружающей среды и деятельности ГЭФ, а также проводить более интенсивные консультации с неправительственными организациями (НПО) и местными общинами по вопросам деятельности ГЭФ,
 - (c) ГЭФ должен разработать и реализовать план действий по укреплению координации на уровне стран и способствовать передаче деятельности, финансируемой ГЭФ, в полную собственность стран, включая активное привлечение местных и региональных специалистов и общественных групп в разработку и реализации проектов.
3. Следует активизировать усилия по обеспечению устойчивости положительного воздействия на глобальную окружающую среду в результате финансирования ГЭФ и добиваться координации перспективной деятельности в сотрудничестве с другими учреждениями, финансирующими создание организационно-технической базы и обучение.
 4. ГЭФ должен оптимизировать свой проектный цикл, с тем чтобы процесс подготовки проектов стал более простым, прозрачным, и был более тесно увязан с потребностями стран.
 5. ГЭФ должен разрабатывать долгосрочные планы и программы многолетней поддержки в целях достижения максимальной эффективности глобальной природоохранной деятельности.
 6. Признавая важность для ГЭФ дополнительных затрат, необходимо дать более понятное определение этого принципа. Следует добиваться большей прозрачности исчисления дополнительных затрат и применять данный метод более прагматично.
 7. ГЭФ должен превратиться в механизм обучения, более строго проводить мониторинг и оценку, более активно распространять уроки собственного опыта реализации портфеля проектов, содействовать передаче и внедрению новых технологий в странах-получателях.
 8. Совместно с Секретариатом Конвенции ООН по борьбе с опустыниванием ГЭФ должен добиваться более строгой взаимосвязи между мерами по борьбе с деградацией земель, в частности с опустыниванием и обезлесением, и ключевыми областями своей деятельности, а также активизировать поддержку природовосстановительных мероприятий, относящихся к ключевым областям деятельности ГЭФ.
 9. Исполнительные учреждения ГЭФ должны способствовать проведению глобальных природовосстановительных мероприятий в рамках текущих программ и в соответствии с конвенциями по охране глобальной окружающей среды, уважая при этом полномочия руководящих органов исполнительных учреждений.
 10. ГЭФ должен развивать прочные связи и взаимоотношения с мировым научным сообществом, в особенности с учеными и научными учреждениями стран-получателей.
 11. ГЭФ должен добиваться более строгой координации действий и совместного финансирования своей деятельности из других источников, включая двусторонние финансовые учреждения, а также расширять возможности для деятельности организаций, указанных в параграфе 28 Документа, в частности региональных банков развития и неправительственных организаций (НПО).
 12. ГЭФ должен добиваться мобилизации дополнительных средств как из государственных, так и из частных источников. Являясь базой технологического прогресса, ГЭФ должен также изучать новые возможности сотрудничества с частным сектором и создания совместных предприятий с участием частных и государственных структур.

Inaugural and Opening Session



Statement By Yashwant Sinha Finance Minister of India

I consider it a great honour and privilege to welcome you all to this august gathering, the first ever meeting of the Global Environment Facility. You have come from far and near, from all parts of the globe, taking time off from your otherwise very busy schedules. This speaks volumes of your commitment to the cause of preservation of environment. Some of you have already been deliberating upon the subject for the last few days, and I am sure the next three days are going to set the agenda and lay the road map on how this movement is going to move ahead in the future. I do not wish to prejudge our deliberations, except to state that we must all strive to make GEF as responsive, as flexible and as efficient as possible.

I don't wish to preach to the priests. However, I would like to take a couple of minutes to share with you some thoughts which concern even an environmentally lay person. Nature has given us an environment which is pure and pristine. However, spiraling population growth, accelerated industrial activity, and if I may say so, our greed and impatience have brought us to a situation where the entire ecosystem and the life support systems are severely damaged; some portions of it irreversibly and irreparably. If appropriate and urgent steps are not taken, then there is a distinct possibility of annihilation of life on earth, the only known planet supporting life on it. I do not want to raise a scare, but the fact remains that a really large number of plant and animal species are already extinct. It may sound a cliché, but the truth is that we have not inherited this earth from our forefathers but in fact borrowed it from our children and coming generations.

What is required from all of us—rich or poor, strong or weak, developed or developing—is a concerted effort at preservation of environment. If each one of us today takes a step in this direction, however small, we would decidedly go a long way in not only preserving but also regenerating life support systems.

It is only then that our coming generations would not blame us for having done precious little when the opportunity was available. In our country, our saints and sages, our forefathers and the generations preceding them have all been environmentally very conscious. We have a strong tradition of worshipping rivers, trees, mountains and other manifestations of mother nature. But somewhere on the way, we have faltered and paid the price for this.

However, it is a matter of great satisfaction that our Government, our judiciary, our NGOs, our students and general populace have all started taking a very keen interest in this subject which is of profound importance to all of us. With this commitment, the future is definitely going to be promising, and, if I may say so, our tomorrows are going to be better than our yesterdays. We would like to work in tandem with you all so that we can share our experiences and learn from our mistakes.

On our part, I can unambiguously and unequivocally state that the Government of India is strongly committed to improving the lives of the millions of our citizens living below poverty levels. They have to be an integral part of all our plans for economic advancement and environmental protection, or both the goals will be jeopardised. I am aware that if we squander our natural patrimony—the huge mountains, the great rivers, the vast plains, the deep forests, the soils, the cities and the villages of India—we doom all of us to eternal misery and poverty. Our Government is committed to striving for rapid economic development and environmental improvements in a mutually reinforcing framework.

I do not want to take more time, as I am conscious that you must be anxiously waiting to know what the Honorable Prime Minister has to say on this occasion. It is my privilege to invite the Honorable Prime Minister to share his thoughts with us this morning.

Statement by Aral Bihari Vajpayee

Prime Minister of India

I am happy to address you on the occasion of the inauguration of the first ever Assembly meeting of the Global Environment Facility. It is indeed fitting that the first Assembly meeting of this international cooperative venture should be held in the developing world and that too in India.

The twentieth century has witnessed major developments which have had momentous impact not only on the lives of human beings but also on planet earth. These include an unprecedented growth in population and in consumption, rapidly increasing urbanization, dramatic changes in the global economic system and the revolution in communication technology. As we are poised on the threshold of the third millennium, we have become increasingly aware that the process of development—including industrialization and economic growth—have come at a huge cost to society, to the environment and to our very future.

In some ways, it is ironic that some of the achievements of the twentieth century themselves pose the challenges for the twenty-first century. With almost six billion people inhabiting this earth, and the global GDP approaching 30 trillion dollars, the pace of human and economic activity is putting pressure on global life support systems. We witness the depletion of non-renewable natural resources, the continued destruction of life-sustaining forests and illegal international trade in protected species of flora and fauna. There is an on-going depletion of our planet's biological treasures and the threat of an acceleration in global warming and in the greenhouse effect. In short, there is a rapid globalization of environmental destruction. The environmental impact of human activity is no longer restricted to man-made national boundaries.

The problems of environmental degradation call for more than scientific and technological solutions. They require the re-establishment of environmental ethics and values practiced in traditional societies, with economic development based on these issues. India, as one of the traditional societies, believed in the integrity and sacredness of nature, pervading peace as the ultimate purpose of all existence and activity. The age-old philosophy of co-existence is not one merely for co-existence of human beings, but it is in fact a basic premise of all living beings and of harmony within the cosmos. The delicate balance of nature has to be restored, even as we have to ensure complementarity and co-existence of different life

forms, between plants and animals and between nature and man. The balance of five basic elements, the panchtatva—air, water, fire, the earth and the sky—has to be restored.

Based on our experience and understanding of global environment, we realise today that sustainable development at the national level cannot be pursued in isolation. Quality of life of nations today, as also in the future, depends to a very large extent on the policies and actions that the fellow nations of the world pursue. Against this background, new partnerships have to be established for conservation and sustainable development while ensuring equitable distribution of technology and social advancement. Promoting these partnerships requires making the most of the diverse repertoire of knowledge, skills, perceptions and assets belonging to a wide cross-section of nations and societies.

When we analyse the nature of pollutants, we find that both affluence and poverty contribute to their high levels. The problems of the industrialized and the developed world stem from their high levels of economic activity and consumption. The degeneration of forests and natural resources in the developing countries, on the other hand, can be attributed largely to the lack of resources and alternative sources of energy and income generation. The strategies to tackle these two distinct causes therefore need to be significantly different. In the case of the rich and developed world, the issues can be best handled by setting stringent emission norms and limits on pollutants and by enforcing these stringent norms and limitations. However, for the developing and underdeveloped world, the best approach would be to put in place an incentive structure that would encourage conservation and discourage the scavenging of nature, without compromising economic development and rapid alleviation of poverty. For the developing countries, we should make concerted efforts to facilitate and promote adoption of environment-friendly techniques of production and also undertake far greater measures to disseminate information about the ill effects of polluting forces.

As part of international efforts to contain the ill effects of environmental degradation and to encourage sustainable development, nations have put in place several ecological treaties like the Montreal Protocol, the Framework Convention on Climate Change, the Convention on Biodiversity, the Convention to Combat Desertification, etc. Although much atten-

tion seems to be focused on climate change, global warming and the ozone layer, very little is being done to address the environmental problems facing poor societies, whether it be paucity of clean drinking water or poor sanitary conditions.

Let me reiterate that if we are committed to successfully addressing the challenges of sustainable development, and hence of environmental conservation, then it will require an international movement the like of which has never been seen before. It will require effective integration of the sporadic efforts being made by the different players whether they be international organizations, national governments, or non-governmental organisations; whether business and the forces of development, or environmentalists and the forces of conservation.

Most important, however, will be the need to make environment protection a people's movement—with the close participative involvement of the local communities, governmental bodies, NGOs, international bodies like the GEF, industry and various economic service providers. History has shown that all good ideas begin to make the desired impacts only when they become mass movements. It is high time environment protection be made a national and international people's movement. It is in the self-interest of the nation states, and in the larger interests of the world we live in, that we leave behind a better world for our children.

Since the 1992 Rio Earth Summit, many international business leaders have taken the lead in urging the business community to be environmentally more sensitive and responsive.

The presence of all of you ladies and gentlemen at this first-ever Assembly meeting of the Global Environment Facility is very heartening and speaks of your commitment to the cause that we address together. During the post-Rio phase, GEF is one of the instruments that has emerged to give effect to various Rio agreements. The restructuring of the GEF in 1994 has given confidence in the vitality and responsiveness of this institution. As the GEF is a unique expression of partnership forged at Rio between the North and the South, between the UN system and the Bretton Woods system, it would be our collective endeavour to sustain and strengthen it as an effective instrument of cooperation for promoting sustainable development.

The imperative of sustainable development places a common responsibility on rich as well as developing nations to concentrate their R&D efforts on three immediate projects: (1) an all-out effort to harness renewable sources of energy on a large scale and at lower or comparable costs, (2) development and commercialization of new materials, and (3) across-the-board introduction of energy-saving techniques and management practices. After all, energy saved is energy produced.

The Government of India is committed to rapid and sustainable development, which we believe is the surest way of improving the living standards of our people and eradicating the curse of poverty from our nation. We see strong complementarity between the goals of economic development and improvement in the environment. We must never forget that abject poverty, and all that goes with it, is the worst blight on our planet's environment.

I would like to mention here that India has been in the forefront of voicing the developing nations' concerns over environment protection and sustainable development on various international platforms. For example, it was an Indian prime minister who put forward this new agenda in the first global environmental summit in Stockholm in 1972. Since then, my country has been consistently championing this cause.

Naturally, the imperative of sustainable development has found a strong resonance within the country, too. As we have indicated in our National Agenda for Governance, we will continue with economic reforms, strengthen macroeconomic stability, and devote special attention to the development of infrastructure, agriculture and education. We firmly believe that more and better education, especially at primary and secondary levels, is a crucial pre-requisite for both rapid economic development and a more informed and effective social and legal framework for preserving and improving our environment.

We are convinced that in areas such as education, rural infrastructure, water resources management and land use, Government can and must articulate an effective combination of social expenditures, appropriate incentives and realistic regulatory systems to jointly serve the goals of rapid, broad-based development and environmental improvements. We propose to establish effective legal frameworks for the protection of the environment and to unveil a comprehensive National Environment Policy to harmonize the demands of development and environment and to balance the needs of the present and the future.

The principle that poverty alleviation and economic development are the first priorities of developing countries must continue to be the guiding factor for all international cooperation. The GEF has built on this principle to begin implementation of sustainable development goals within its area of concern. It deserves our full and unanimous support through adequate and timely contribution from all those that provide such contributions, and through efficient and meaningful use of GEF resources by those who receive them.

We are proud to be partners in the establishment, evolution and growth of GEF. Amongst the recipient countries, India is one of the largest contributors to

the GEF replenishment, and we have contributed more than any of the other recipient donors.

I welcome you to this Assembly meeting in New Delhi and hope that you have a very pleasant stay, and you go back with fond memories of your visit. I also hope that some of you will find time to visit oth-

er parts of India and see the richness of our culture and heritage.

I declare the Assembly open and wish you success in your deliberations towards refining GEF as an effective collaborative instrument for achieving our mutually cherished goals.

Statement by Mohamed T. El-Ashry Chief Executive Officer and Chairman, Global Environment Facility

On behalf of the GEF, its member countries, its Council, and the heads of its implementing agencies, I want to express sincere thanks and appreciation to you for honoring us with your presence this morning, and to the Government and people of India for hosting the first GEF Assembly in such a magnificent, yet warm and friendly, manner.

This is a special occasion, a milestone in our young organization's short history, and we are very happy that you and our distinguished guests from India could share it with us today.

That the first GEF Assembly is in India is no coincidence. India has been a leader in the GEF, from its restructuring in 1994 to the successful replenishment efforts just completed. And I was very pleased to note, Mr. Prime Minister, in a short summary of your policies, the inclusion of this priority: "encouraging people's participation in the environment."

For that is why we are gathered here in this Assembly, to highlight not just how far we have come, but also how far we have to go to educate, enable, and engage people everywhere in protecting the global environment and promoting sustainable development. This has been our common mission since the Earth Summit in 1992, whether we represent governments, business, the scientific community, people's organizations, or the press.

I am told that the Hindi name of this fine conference center means "house of science." No matter where we live, scientific discovery and informed action are central to protecting the global environment and improving people's livelihoods. During the last quarter century, we have reached a common global understanding of the fundamental threats to earth's ecological balance. At the dawning of a new century, we can only hope that out of an increasing

awareness, a sense of urgency will develop to pursue a sustainable development path for the benefit of current and future generations. The GEF is on the cutting edge of this global learning experience. We don't have all the answers, but we are a catalyst for universal participation and innovative programs. We are helping to show the way. So it is fitting that we hold our first Assembly in this place, on behalf of all people and the fragile planet we call home.

Welcome to the first shareholders meeting—the GEF Assembly. Yes, you are GEF's shareholders, a total of 164. It is your Facility and you should nurture it so that it can continue to provide you with the services you need to protect the global environment and pursue sustainable development for a long time to come.

There are many people who have dedicated themselves to making the GEF what it is today. They work, tirelessly, in our implementing agencies, the Secretariat, and the other GEF units. They serve with distinction on our Council and are our hard-working counterparts at the Conventions on Biodiversity, Climate Change, Desertification, and Ozone Depletion.

To meet its potential and fulfill multiple missions, the GEF has had to evolve from its pilot form into a more representative, participatory, transparent, effective, and strategic organization. It now serves the two Rio Conventions, and it has gained sufficient confidence from the international community to earn a new replenishment of \$2.75 billion. The new replenishment will enable the GEF to continue its efforts to promote global environmental goals and sustainable development and to support the objectives of agreed global environmental conventions and protocols, such as the Convention on Biological Diversity, the UN Framework Convention on Climate Change and the Kyoto Protocol, the Vienna Convention and the

Montreal Protocol, and the UN Convention to Combat Desertification.

It is fashionable to speak of partnerships. But so often these are rhetorical exercises in the name of minor agendas. The GEF partnership is real. It is the product of many communities—government and non-government, large and small—merging their efforts.

Many groups have made major contributions over and above the funds they supply, shaping the common agenda and supporting its implementation. Even in financial terms alone, the partnership is substantial: In the working relationships we have, in over 500 projects in 119 countries, and with \$2 billion in grants allocated by GEF, \$5 billion more was committed by our partners to integrate the global environment into sustainable development.

The Secretariat just completed a very telling analysis of who made that \$5 billion commitment. I am very pleased to say that the top source was counterpart funding from the recipient governments themselves. I believe this demonstrates their very real commitment to and ownership of the Global Environment Facility and its work.

In second place are the development assistance institutions, who, again, invest funds on behalf of governments. Together these two groups account for roughly two-thirds of all GEF co-financing.

In third place: businesses have also made substantial commitments. That contribution would rise if we were to harness fully the power of the private sector and support the widespread transfer of clean technologies at the necessary levels.

As important as these figures are, the success of the GEF must be measured by its outcomes and not by the financial inputs. For we know that \$2 billion or even \$20 billion would not be enough to fulfill our mission. A project here, a project there, may help a few people for awhile. But our business is global, and its strategies must look to the long term.

What will it take to truly protect our biological heritage, avoid the devastation climate change could bring, sustain the soils and waters that give us life,

and close the hole in the ozone layer? It will take people like you and millions of others—thinking and acting differently, leading the way. And others, internalizing the lessons and replicating the success stories many times over. While we build on the success of the past, let us rise above some early preoccupations.

Too often in the past, we have apportioned responsibilities. In the future, let us share the benefits of new opportunities in environmentally friendly technologies and approaches.

From formulas for new and additional resources, we can move beyond—to wider windows for investing in global environmental progress.

Instead of bogging down on incremental costs of individual items, we can foster whole new markets.

Instead of just making the polluter pay, let us build sustainable livelihoods and facilitate joint ventures.

Instead of just learning lessons of the past through monitoring and evaluation, let us shape the future with a learning culture.

Our fates are all intertwined. Don't we owe it to each other, to our children and their children, to combine forces and ensure a sustainable future on earth?

I would like to close with two headlines I saw recently. The first reads: "The flames are huge like sails—an ecosystem is being destroyed." Never before within memory has the Amazonian rainforest near the Yanomami Indian reservation been on fire. What set it off? Three months of no rain and a 20,000 square mile savanna fire blazing nearby.

The second headline concerns people living on England's eastern coast. "Rising sea threat to homes. Insurance premiums set to soar as research shows flood risk due to global warming."

No one, no matter how isolated or how industrialized, is exempt from global environmental problems. As we reach out to communities, to the media and other constituencies, let us give them the good news as well, and encourage them to spread it far and wide.

By taking up a common agenda, and working together, we can make this a more hopeful and a more secure world. Your GEF stands ready to assist each of you and the entire global community in this endeavor.

Statement by James Gustave Speth

Administrator, United Nations Development Programme

As celebrations marking the Golden Jubilee of Indian Independence unfold this year, we must pay tribute to the generous spirit and environmental awareness of the Indian people. With India's participation in the preparation and adoption of environmental conventions, in the founding of the GEF and in the ongoing dialogue on sustainable development, we are especially proud of being here today.

It is a great privilege for me personally to join this distinguished group. I had a hand, while president of the World Resources Institute, in launching the GEF as a strategic alliance of United Nations and Bretton Wood institutions for a new governing structure whose mission is nothing less than finding ways to secure the future. It does my heart good to see what has been accomplished under the leadership of the GEF Council and participants through the commitment, dedication and trust of a global network of governments, civil society stakeholders and staff of all the GEF family. We are proud at UNDP of having been an active GEF partner since its creation.

Representatives serving on the GEF Council, and those participating in this first Assembly, are guiding the GEF toward its full potential with an inclusive, balanced, yet rapid decision-making process. The many successes to date in protecting ecosystems and international waters, and in addressing climate change and ozone depletion, testify to these efforts. But the challenge remains huge, with the future for all societies very much in the balance. I pay tribute to the countries for successfully concluding the replenishment of the GEF to continue addressing this challenging task.

It is appropriate that this first GEF Assembly is being held in 1998—the International Year of the Ocean. The challenge of protecting this great common heritage of humankind illustrates the interrelated nature of the four GEF focal areas, and it underscores GEF's inseparable link with local sustainable livelihoods. Although the coastal zone is expected to bear the largest burden of future population growth, rising sea levels and more frequent storms due to global warming could have devastating effects on these populations and on the biodiversity that supports them. Warming of ocean water temperatures has also been associated with a general decrease in the productivity of marine life. Diminished ozone protection is a factor in the catastrophic bleaching of coral reefs. We have seen the haphazard development of coastal zone

resources decimating entire marine food chains and spreading pollution into surrounding international waters. The inseparable link between the goals of the GEF and UNDP's mandate of poverty alleviation is nowhere more apparent than here.

In the seven years of GEF operations at UNDP, one central principle has become clear—protection of the global environment must be integral to the development of healthy local economies. We cannot separate environmental protection and sustainable development. Growth and prosperity will only be possible when they are supported by all the interdependent elements of a sound and fully functioning global environment. And the environment, in turn, will not survive unless we hasten the end of mass poverty and better manage the growth process for sustainability. We must work together to make these linkages clear—crystal clear—to all.

As the implementing agency dedicated to building the human and institutional capabilities required to face this momentous challenge, UNDP stands committed to the GEF tripartite partnership. Yet the commitment to environmental sustainability begins at home. We at UNDP are taking far-reaching steps to incorporate global environmental concerns into all facets of UNDP operations.

First, I am requesting an assessment of our Country Cooperation Frameworks—the very foundation for UNDP assistance on a country basis—in order to identify global environmental impacts and opportunities. This would thus integrate the global environment throughout UNDP from the ground up. This is one aspect of our commitment to mainstreaming. Yet I wish to highlight that while the Country Cooperation Frameworks agreed on with the countries have environment and sustainable development as a priority, they address first and foremost national priorities.

Next, we are instituting a system that will track the biodiversity, climate change, and international waters components of all UNDP projects to ensure better coordination of our activities, to facilitate information sharing, and to mobilize co-financing.

A third major initiative is already ongoing: by the end of this year, nearly 100 country office operational staff will have received intensive, on-the-job GEF training at UNDP headquarters. Improved capacity is already evident in more than 130 country offices to assist not only with the GEF, but with all country-level issues that impact the global environment.

There is no doubt that we need to promote stronger

linkages between national development priorities and global environmental goals. UNDP will be a strong partner with you in this vital effort.

There are some 250 full-size, GEF Council-approved projects currently in the UNDP portfolio. I'd like to review a few highlights. Right here in India, there are 11 projects focusing on a wide array of sectors and regions. Climate change projects are promoting small hydroelectric systems, harnessing biomass and biomethane, and assessing investment and policy options. Major biodiversity projects are being prepared for the coral reef ecosystems of the Andaman and Nicobar Islands, for strengthening of the Gulf of Mannar Biosphere Reserve, and for an ambitious effort to manage the buffer zones surrounding a large network of protected areas. India is also receiving enabling activity support for both the Convention on Biological Diversity and the Convention on Climate Change.

I am particularly pleased to report to you that UNDP, as part of its ongoing efforts towards capacity building, will provide support from its core resources for the establishment of a Global Environment cell in the Ministry of Environment and Forests.

In Eastern Europe, UNDP-GEF is the lead implementing agency in a major effort to protect and restore the vast Black Sea Basin, which includes the ecologies of the Danube and Dnieper Rivers. In the Arab world, an irreplaceable fresh water resource for a wide variety of local and migratory species—the Azraq Oasis in Jordan—has been brought back to life by a project executed through a national NGO. I am pleased to report that in at least 73% of UNDP-GEF projects, NGOs are actively participating in their development and/or implementation. This illustrates UNDP's commitment to mobilize a large number of stakeholders and executing agencies to the UNDP-GEF portfolio. New procedures for project execution by NGOs, along with the new medium-size projects initiative, will promote even greater participation.

Recent work programmes reflect an increasingly synergetic relationship between UNDP, UNEP and the World Bank. One good example involves all three implementing agencies and all the countries of Central America who will assemble a biological corridor of reserves and parks linking North and South America. In Brazil, a partnership with the World Bank is building the world's first commercially viable energy plant powered by gasified biomass. In China and Asia, several large projects are under preparation that could allow those countries to leap directly to technologies that do not emit greenhouse gases. Several initiatives in the biodiversity focal areas are moving into the productive landscape with the goal of food security. One excellent example can be found in Africa, where grass-roots farmers are receiving support for the conservation of genetic resources vital to breeding crops capa-

ble of withstanding climatic extremes without irrigation and agro-chemical support.

The UNDP-GEF portfolio also includes over 100 enabling activities that are providing countries with the financial and technical assistance needed to fulfill their obligations under the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change. In addition to fulfilling Convention obligations, enabling activity projects help countries to mainstream global environmental assessments into their national development strategies.

UNDP is especially proud to be the implementor of the GEF Small Grants Programme, through which more than 1,000 community-based projects in 44 countries have been funded to date. Here in India, for example, 24 projects ranging from protecting the Olive Ridley sea turtles to the promotion of agro-forestry among rural communities demonstrate that you can effectively address global environmental problems by taking action at the community level.

Overall, our portfolio of initiatives cleared by the GEF Council as of the end of calendar year 1997 combines \$570 million in GEF funding with \$256 million in co-financing for a total value of \$826 million. The goal of all of these initiatives is to enhance the human capacity to utilize the information, knowledge and technology necessary to halt global environmental degradation while simultaneously generating income-producing options for the poor and marginalized. These same human and institutional capacities are also crucial to managing the rapidly increasing flow of private investment directed at developing countries—which has tripled since the beginning of GEF operations and now amounts to \$245 billion per year. If this private investment is to complement our efforts to protect the global environment and build sustainable livelihoods, we must ensure that trained human resources, backed by well-equipped institutional support, are prepared to meet the challenge.

This first GEF Assembly provides an unprecedented opportunity for a dialogue on the successes and shortcomings of the GEF's first six years. We are engaged in nothing less than an endeavour to ensure the sustainability of life on earth, and the prosperity of its inhabitants, rich and poor. I look forward to participating in this dialogue and contributing to a renewed collective commitment to strengthening the GEF and carrying forward its work into the 21st century.

I promise you that GEF will remain a highest priority for UNDP, and that we will continue to strengthen our commitment to the original notion that led to the innovative creation of this tripartite agreement. Building upon the respective strengths of the three partners, we will continue to serve, through GEF, the recipient countries in addressing global environmental issues while advancing towards sustainable development.

Statement by Klaus Toepfer

Executive Director, United Nations Environment Programme

I am deeply honored by this opportunity to address the first Assembly of the Global Environment Facility in this historic city of Delhi. This city is symbolic of a unique culture and ethos. Not only is the Indian civilization ancient and has shown impressive continuity. The Indian civilization also has an especial characteristic, and that is that it has thrived on diversity. This has given this country a world view which looks at all humanity as one family. It has given India the capacity to absorb, to assimilate, and to synthesize the best influences from wherever they come without losing its identity.

The generous offer of the Government of India to host this event is a testimony of the leadership role played by India as a bridge between people, continents, civilizations, cultures and religions of the world.

INDIRA GANDHI'S REMARKS AT STOCKHOLM

More than 25 years ago, at the historical United Nations Conference on, Human Environment at Stockholm, we heard Mrs. Indira Gandhi forcefully state that "the environment cannot be improved in conditions of poverty." She said that, "Unless we are in a position to provide employment and purchasing power for the daily necessities of the tribal people and those who live in or around our jungles, we cannot prevent them from combing the forest for food and livelihood; from poaching and from despoiling the vegetation. How can we speak to those who live in villages and slums about keeping the oceans, the rivers and the air clean when their own lives are contaminated at the source?"

URGENT NEED FOR ECONOMIC GROWTH: SUSTAINABLE DEVELOPMENT

No one would hold that the less developed countries should remain condemned to perpetual underdevelopment. The legitimate developmental needs of people cannot be denied by using arguments for environmental concern. The natural resources of Mother Earth are limited. But at the same time, adverse environmental impact, to a certain degree, is reversible by human effort. This, in fact, is what sustainable development is all about, and to make it clear, it is first of all development.

All human beings have an equal right to use natural resources in a sustainable way to enable them to pursue economic development. We must not resign to perceived limits of growth. We must instead con-

stantly explore the frontiers of economic growth in ways in which the natural base creates opportunities for human activities. The growth that we look for must be economically, environmentally and socially sustainable. To achieve this, we need innovative and unconventional technological solutions. We need to learn from indigenous knowledge and take the best of cutting-edge technology. We need to forge partnerships on environmentally sound technological developments and their application, between regions of the world, between public and private and civil society. This is real implementation of environmental objectives.

GLOBAL ENVIRONMENT FACILITY

The establishment of the Global Environment Facility was a decisive step forward in mobilizing "new and additional financial resources" to assist the transition to sustainable development in developing countries. Its governance structure was designed to be a bridge between the United Nations bodies involved with the environment and development and the Bretton Woods institutions.

So far, the GEF has been a success story. The donor community deserves our gratitude for its generous contributions to the GEF. I hope that they will continue to give GEF the financial support it deserves to achieve its goals. I must also congratulate Mohamed El-Ashry for his excellent stewardship of GEF during this period.

As a partner in this global endeavor, the United Nations Environment Programme has tried to prove that this machinery can be used to promote sustainability and integrate the environmental dimension on a global level. We can prove that win-win strategies are viable and that they must be grasped.

ELEMENTS OF UNEP'S NEW PROFILE

I have been the Executive Director of UNEP for a little more than seven weeks now. But even as I stand before you, I can tell you that the credibility of UNEP—over the last 25 years—as the environmental voice of the UN system has been built on the foundations laid by my illustrious predecessors. I would like to take this opportunity to salute them: Elizabeth Dowdeswell, Dr. Mostafa Tolba and Maurice Strong.

But I am convinced that despite UNEP's excellent achievements in the past—particularly in the area of conventions, protocols and the regional seas—UNEP

must increasingly strive to provide better means for bringing emerging environmental issues and problems of international and regional significance to the attention of the global community. In this way I also intend to profile UNEP in the GEF process.

The challenge before UNEP is to integrate short-term and medium-term environmental concerns with its long-term objectives of providing a sustainable environment for all.

IMMEDIATE ACTIONS

We must prove that we are capable of taking immediate action in the GEF also. Recently, the Secretary General of the United Nations asked me to develop a coordinated international response to the forest fires raging in South East Asia, and the agenda I have proposed was well received at the UN Administrative Coordination Committee. Tomorrow I will be meeting with President Suharto of Indonesia to discuss this issue. These forest fires may turn out to be one of the greatest ecological disasters of the last decade of the millennium. I am pleased to state that the GEF has proved to be flexible enough to provide funds for this project.

We also need to learn from lessons offered by the El Niño phenomenon. If we can see these crises as a challenge today, we may one day look at them as useful warnings for something we managed to avoid. Early warning systems, priority setting and the development of information concerning hot spots and environmental catastrophes to alert nations of potential conflicts over common shared resources are the areas which will be UNEP's area of focus in the short term.

MEDIUM-TERM FOCUS

In the medium term, UNEP is determined to further develop and improve its leadership role in forging political consensus on emerging environmental problems and in the development of political instruments. This is an area in which UNEP has had its most outstanding successes in the past. We must build on the foundations of the experience gained in the development and implementation of the Montreal Protocol, the Regional Seas Programmes, the Convention on Biological Diversity, the Basel Convention, CITES and the Lusaka Agreement—to name just a few.

UNEP will also develop innovative economic instruments and practice their use to foster more uniform standards and practices among nations. In this regard, we have proposed the establishment of a joint UNEP/UNCTAD Intergovernmental Panel on Economic Instruments for Environment Policy. It will promote and address modalities for the use and application of economic instruments for environmental management and sustainable development,

particularly focusing on them as efficient and cost-effective tools for the implementation of multilateral environmental agreements. In this regard, UNEP is prepared to take a decisive follow-up to the Kyoto Protocol.

There is also a great need to single out the interdependencies and synergetic effects of the Conventions and to better coordinate actions which are crucial keys for effective implementation of our multilateral agreements. This is an important obligation for UNEP as the implementing agency for several environment Conventions. UNEP will avoid duplications and incompatible regulations on issues addressed by more than one Convention.

LONG-TERM PRIORITIES

In the long term, UNEP will focus its work on environmental issues resulting from urban settlements, water issues, development of economic instruments such as the clean development mechanism, and the chemicals agenda which includes negotiating and implementing the prior informed consent procedure and further work on persistent organic pollutants.

In the area of the urban environment, Habitat and UNEP are already utilizing more and more the synergies between the two organizations to address environmental problems that result from urbanization: water pollution, habitat loss, deforestation and carbon-emitting energy use.

However, we have yet to fully realize the tremendous potential for the ecological efficiency of cities, combined with economic and social efficiency, and we have to make use of this potential.

Urban development provides important opportunities for sustainable development because cities and major agglomerations have the ability to support large numbers of people within a limited space with a high degree of technical and economic efficiency. Therefore, we must overcome the diseconomies of scale. We must achieve sustainability in our mega-cities.

Indeed, since cities are the loci of most consumption and production, I believe that the GEF should play a pivotal role in helping to meet the challenges of sustainable settlement structures.

We are giving prime importance to water issues not only as an essential component of peace policy but also its conservation as a vital natural resource. We are also building on the outcomes of important Conferences on Water held in Harare, the 1st Petersburg roundtable held in Bonn and the International Conference on Water and Sustainable Development in Paris. These conferences recognized UNEP's work in promoting the integrated management of freshwater basins and requested UNEP to play a major role with other organizations in water issues and provide an early warning system for input to envi-

ronmental diplomacy. I believe that a new GEF operational program on freshwater issues could be envisaged, and UNEP stands ready to assist in its preparation.

In the implementation of the chemicals agenda, countries will sign the legally binding international convention on trade in dangerous chemicals and pesticides later this year in Rotterdam. This legally binding Instrument on Prior Informed Consent Procedure on Certain Hazardous Chemicals in International Trade has important synergies with biodiversity. The first meeting of the International Negotiating Committee for the adoption of an International Convention on Persistent Organic Pollutants will be held in Montreal in July of this year.

Sustainable development demands access to state-of-the-art "clean" technologies, as these have a strategic role in increasing the capabilities of developing countries, both to protect the environment as well as to alleviate poverty. To develop technologies and products that are resource and energy conserving, we are focusing on the development of cleaner technologies in partnership with industry and business.

UNEP's focus will also be on strengthening the link between science, management and policy. UNEP will network with the scientific community and translate that knowledge into policy and make the results available to all interested stakeholders. One example is the way STAP has played an important role in promoting scientific and technical quality control in the GEF, and I am pleased to announce that the Council has endorsed the reconstituted STAP for the second phase of the GEF.

The challenge before us is to better mobilize the wider scientific and technical community. I believe that one of the core missions of UNEP is in information exchange on policies and technologies. This is sometimes referred to as playing a clearinghouse function, leading to knowledge building for investment choices and to technology cooperation and transfer.

PARTNERSHIPS

These elements of UNEP's new profile will require building synergies and partnerships with governments, United Nations agencies, the private sector and the civil society as well as regional institutions and secretariats.

We have, as an implementing agency of the GEF, promoted partnerships between developing and developed countries through sharing of knowledge as well as transfer of technology and skills. We will

strengthen these further. We will focus on promoting partnerships between governments and the representatives of civil society and the private sector. UNEP's joint statements with the banking and insurance sector are only the first steps in the implementation of this joint agenda. UNEP will further strengthen its forum for dialogue and partnership with business and industry.

UNEP recognizes the important role of civil society organizations in achieving the objectives of the GEF. The pathway of medium-sized projects is an opportunity for GEF to benefit from the wealth of the experience of the NGO community.

UNEP'S COOPERATION WITH GEF

According to the Nairobi Declaration, UNEP has a mission to set the global environmental agenda, promote the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serve as an authoritative advocate for the global environment. UNEP acts as the steward for the environment. UNEP uses GEF resources to support the global dialogue in the focal areas and to develop innovative mechanisms for the international community.

UNEP cannot measure its success in the field of the environment by its share of financial resources to implement GEF projects, but rather by the implementation of its mandate assisted by the support it receives from GEF.

The subject of ensuring global sustainable development and environmental protection is a vast one. Instead of reciting a list of problems and prospects, I thought I would highlight some of the main points of concern to UNEP.

Despite the difficulties of implementing the vision of the Rio Summit, the last five years have vindicated the basic validity of our larger vision. It calls for placing the human being at the very heart of the development process. It calls on us to alter our consumption and production patterns in our pursuit of sustainable development. It is a vision that calls for harnessing the best of science and technology to the needs of the people, particularly the poorest.

At this point, it might be appropriate to reflect on the wisdom of Mahatma Gandhi: "The earth provides enough to satisfy every man's needs, but not every man's greed."

Let the wisdom of Mahatma Gandhi guide us in our common road to sustainable development for the benefit of present and future generations.

Statement by Caio K. Koch-Weser

Managing Director, World Bank

I welcome this opportunity to address such a distinguished audience at this first meeting ever of the GEF Assembly

On behalf of Jim Wolfensohn, President of the World Bank Group, I offer the World Bank Group's appreciation to the Government of India for hosting this important event.

I am delighted to see here not only an impressive number of delegations from governments participating in the GEF but also a large number of representatives from NGOs, the science community and international institutions.

We meet at a time when governments are renewing their commitments to preserving the global commons. I refer of course to the recent meeting in Kyoto and the completion of the second replenishment of the GEF.

I would like to use this opportunity today to tell you that the World Bank Group remains fully committed to playing its part in a strong GEF. In particular, I would like to make three points:

- While partnering with the GEF, we have learned important lessons.
- Building on these lessons, our program to help countries address the global environment is expanding rapidly. This offers new opportunities for effective use of GEF funds.
- Lastly, a strong GEF rests on strong partnerships. We will work to strengthen them.

THE BANK-GEF PARTNERSHIP

Let me start by reflecting briefly on what the World Bank Group has accomplished.

First, we have made the GEF dollar go further by using our capacity to catalyze public and private funding.

For every dollar of Bank-GEF assistance, there is an associated dollar of IBRD and IDA resources, and two additional dollars of co-funding from elsewhere.

Also, for every GEF dollar invested with the help of the International Finance Corporation (IFC), the World Bank Group's affiliate which invests in private sector projects, we expect to mobilize between 5 and 10 dollars of private investment.

In all, World Bank Group management has approved 84 projects in 75 countries, involving over \$800 million of GEF resources and another \$800 million of IBRD and IDA funds.

Second, using GEF resources we have accelerated the transfer of new technologies to our developing country partners, particularly in the area of renewable energy.

Here in India for example, a \$26 million GEF grant has helped to raise the country's capacity to produce wind power from 30 to 700 MW over the last five years.

In Indonesia, \$75 million of Bank and GEF funds are financing the largest single photovoltaic solar homes system project in the world, expected to reach 200,000 homes.

Third, GEF grant resources are helping us strengthen partnerships that are important for global environmental management.

In the Lake Victoria Basin, a GEF project has promoted collaboration between three riparian governments, enhanced the dialogue between government and non-government parties, and coordination between the three GEF implementing agencies.

The Conservation Trust Funds that GEF is supporting in countries such as Brazil, Uganda, and Peru are empowering local communities to take actions that serve their welfare interests and the global environment.

What are the main lessons that we have learned, and how are we putting them to use? Perhaps the most important lesson is that actions that help the global environment often enhance national sustainable development and reduce poverty.

For example, the sustainable use of biodiversity in rural or marine landscapes supports the production of food.

Projects designed to reduce greenhouse gas emissions help safeguard health by improving local air quality.

While our developing country partners have ratified the global environment conventions, action priorities are, however, less clear cut.

"Win-win" opportunities of the kind I just mentioned must be vetted against the many other competing claims that developing countries face.

And where global gains incur local costs, it is difficult to imagine strong action by developing countries without assistance. Hence, the rationale for GEF and other financing mechanisms.

Our challenge is to help assess global impacts from local actions, evaluate options for reducing such impacts, and include them in our dialogue with developing country partners on development programs and projects that we support through conventional loans or credits, or GEF grants.

The developing portfolio of Bank-GEF projects clearly shows closer integration of GEF-funded activi-

ties in sectoral development programs. However, in meeting the challenge of mainstreaming the global environment, we need to become more active and keep you informed of progress on a number of fronts.

Where significant global environmental issues relate to development, they are to be addressed in our country assistance strategies.

Through dialogue with country partners, we are expanding our collaborative sector reviews to identify options and costs for reducing global environmental impacts.

We are committed to strengthening our research on the links between economic development and global environmental issues, as well as the technical skills of our staff and the knowledge base at their disposal.

The GEF experience has also taught us that we need to develop operational flexibility to work with new partners.

GEF has challenged us to develop more flexible procedures to fast-track medium-sized projects and be responsive to the needs of the NGOs. We have responded to this challenge well, as we shall demonstrate in one of the Assembly workshops.

Finally, we have learned that GEF's special role and governance structure inevitably result in additional transaction costs. Working with the GEF Secretariat, we have acted to minimize them.

By associating GEF operations with IDA or IBRD assistance, GEF projects require about half as much staff time to prepare as Bank projects.

We have harmonized the review process and documentation for GEF projects with the new Bank standards, and mainstreamed GEF portfolio management and business planning.

Since 1993, we have doubled the volume of transactions without increasing our coordination costs.

THE WORLD BANK'S GLOBAL ENVIRONMENT PROGRAM

Building on these lessons and the capacity created through our GEF involvement, Jim Wolfensohn, speaking at UNGASS in New York last June, outlined a plan of action for the World Bank Group in five specific areas in support of the global environment. This plan, which can only be implemented through partnerships with many of you, addresses climate change, biodiversity, ozone depletion, desertification, and the water crisis.

This is not the time for a complete progress report. But let me highlight some of our major initiatives in the areas of climate change and biodiversity where the relationship to GEF is most important.

The Kyoto Conference established the principle of market-based mechanisms to help cut greenhouse gas emissions. Following this, the World Bank Group, building on its program on activities implemented

jointly and experience under GEF, is now exploring the establishment of a Prototype Carbon Fund (PCF—formally referred to as the Carbon Investment Fund).

The PCF would provide a mechanism whereby buyers and sellers of carbon offsets can efficiently invest in a pool, or fund, of carbon offset projects which would stimulate the transfer of technologies and sharing of cost savings with developing countries and economies in transition.

Some have expressed concern that such a mechanism might jeopardize future GEF support for climate-friendly investments.

First, let me assure you that the Bank intends to fully honor its commitment to channel GEF resources for eligible investments.

Also, the GEF and the World Bank Group have agreed on how to collaborate closely in moving forward on the establishment of the initial Carbon Investment Fund.

We view GEF and PCF funding of climate-friendly investments to be complements rather than substitutes.

Next, the World Bank Group and the GEF are collaborating to expand our efforts in renewable energy.

The objective is to develop a large-scale program of renewable energy investments that will increase the competitiveness of new and climate-friendly technologies for solar, wind and biomass energy.

To this end, GEF is considering earmarking annual resources for eligible investments with the World Bank Group, ensuring a leveraging ratio of GEF to non-GEF resources that increases over time.

Turning to the area of biodiversity conservation, I would like to highlight two additional Bank initiatives which could generate important opportunities for GEF funding.

The first one concerns Market Transformation Initiatives for the forestry and marine industries. These initiatives seek to inject environmental values in the marketplace to drive ecologically sustainable resource use.

In both cases, the World Bank Group works with the private sector and NGOs to examine modalities for accelerating investments in independently verifiable sustainable industry practices in countries or regions where forest or species loss is a major concern.

GEF resources will help to remove barriers to the adoption of such practices.

The second initiative is the WWF-Bank Global Alliance on Forestry, which Jim Wolfensohn announced at UNGASS last year.

To meet a set of conservation targets, the Bank and the WWF, joining with others, will work with governments, the private sector and civil society to accelerate ongoing and initiate new programs in forest conservation and management. Priority will be given to areas that are most important for biodiversity.

Exciting news of early results on the ground comes from Brazil, where the alliance is working to support the Brazilian Government's newly announced commitment to create up to 25 million hectares of protected areas in the Amazon region. Here, there is a real potential for substantial GEF business linked to a Bank loan.

STRONG PARTNERSHIPS FOR THE GLOBAL ENVIRONMENT

This quick review has illustrated the strategic importance of partnerships for global environmental management. Indeed, our own capacity to support a strong GEF depends on the partnerships that we build and maintain.

Our most important partnerships involve our client governments. Increasingly, and by necessity, these partnerships embrace the private sector and civil society, including NGOs. We accept the challenge to work with all these partners to build global environmental objectives into national development agendas.

In this context, let me stress that an effective partnership between the private sector and GEF is required, if we are to solve global environmental problems. We believe that IFC is well placed to help forge such a partnership. We see IFC playing an increasingly important role as we execute our man-

date as a GEF implementing agency.

Equally important is the cooperation between GEF's three implementing agencies. Together with UNDP and UNEP, we have taken important steps to secure closer collaboration and coordination in GEF pipeline development, country dialogue, as well as in project design and implementation.

Finally, as GEF matures, we intend to deepen our partnerships with multilateral and regional development institutions as executing agencies. Indeed, our collaboration with the Asian Development Bank is already getting off the ground.

CONCLUSION

In closing, let me congratulate the Government of India and Mohamed El-Ashry and his team and other partners for making this first Assembly of the GEF happen.

The program they have prepared for us over the next three days is full and rich. I wish you all well in your endeavors to effectively consider the accomplishments of the Global Environment Facility as you review its policies and operations.

We cannot relent in our efforts to save the global commons. They will determine the future of the planet and the quality of life it affords all of mankind.

Statement by Nitin Desai Undersecretary-General for Economic and Social Affairs, United Nations

It is a particular privilege for us to be here in this country for this event. The philosophical traditions of this country involve a deep belief in the underlying unity not just of all forms of life but also of all forms of matter; a belief that is reflected in the ethical principles that this tradition postulates for the relationship of humans to nature. At a more immediate level, for many decades now, India has been at the forefront of the global environmental movement. The application of the principle of ahimsa, non-violence, to the relations of humans to nature was a central element in the social and economic philosophy of Mahatma Gandhi. More than a quarter century ago, the then Prime Minister of India, Mrs. Indira Gandhi, was among the very few world leaders who chose to attend the first world conference on environment held at Stockholm in

1972, where she drew that link between poverty and pollution in words that are now a part of the environmental canon. India's development plans have spoken about resource conservation, pollution prevention, environmental impact and sustainable development long before these matters received attention in the global development dialogue. India has also been the home of mass movements for environmental protection; activist groups that have mobilized public opinion and raised awareness; voluntary associations that have promoted sustainable land, water and forest management at the local level; and a vast network of scientific and professional capacities directly linked to sustainable development. Looking closer at the purposes of this meeting, let us also remember that India was amongst the first of the developing countries to join the GEF in

its early pilot phase. Hence, for all of these reasons, it is truly appropriate that this historic first Assembly of the GEF should be held here.

May I also take this opportunity to convey my sincere appreciation to the leaders of the three organizations responsible for establishing the GEF, namely, the World Bank, UNDP and UNEP. May I also recognize at this, the first Assembly of the GEF, the pioneering role of their predecessors Mr. Conable, Mr. Draper and Dr. Tolba. But the one person we have to thank most particularly is Mohamed El-Ashry, who with his team, has nurtured this institution from its infancy to what we could describe as its coming of age ceremony.

Over the next few days, the GEF will be described in a variety of ways. From my perspective, as the Undersecretary-General responsible for Economic and Social Affairs, I would like to see the GEF as the expression of a new form of development cooperation. Let me explain this further.

For quite some time now, practically every institution involved in the management of development has been trying to identify the role of public policy and, within that, its own role in a world moving rapidly towards a globalised and interdependent market economy. As governments leave more and more to the market for ideological or practical reasons, the guiding principles for public policy have to be provided by objectives that by common consent cannot be left to the market. The management of the environment is one such concern because it involves externalities that cannot be managed except through public interventions in the market. I put it to you that the GEF is an expression of this compulsion at the global level. The assistance that it seeks to mobilize and transfer is not in any sense charity or an unrequited transfer, but a necessary form of support for actions that deliver not just national but global benefits. In this sense, GEF is a new form of development cooperation based squarely on the notion of global externalities and ecological interdependence. As the role of government changes, many spheres of development cooperation may shift from the public to the private sphere, but environmental management will remain a public responsibility and continue to require public resources at the national and international levels.

The GEF also points the way ahead in its modalities of implementation. What I am referring to here is the structure of the GEF Council which has been set to secure a balance of influence between the contributing countries and programme countries, the role of the conference of parties of the Conventions in providing guidance and partnership between the World Bank and the United Nations, acting through UNDP and UNEP, in the processes of implementa-

tion. Each one of these elements is an important change in the standard framework of development cooperation.

The GEF is a partnership between all the countries of the world to meet global ends. The activities that it supports serve not just the interests of the recipient countries but global interests in which the contributing countries also have a stake. Hence the need for a governance structure that seeks to reflect this mutuality of interest, a structure that must be made to work because we will have need for this sense of partnership in many other areas in future. Every member of GEF, regardless of whether it is a net contributor or a net recipient, must have a sense of ownership about the policies that govern its operation.

There is yet another reason for ensuring this sense of ownership. The support provided by the GEF and the other international institutions is but a small part of what needs to be done to tackle the environmental problems in the GEF mandate. The bulk of the effort has to be supported by national resources, and these will only be forthcoming if the government and people concerned feel that the policies they are implementing are theirs and not imposed through some form of aid conditionality.

This need for a sense of ownership within the GEF structure is closely linked to the second innovative element—the clearly defined role of the COPs of the Conventions in providing policy guidance to the GEF.

I spoke earlier about mutuality of interests as the basis of the GEF. But mutuality of interest has to be defined mutually and this can only be done through a democratic political process involving all countries on an equal footing. This is what the UN does best and this is what is reflected in the COPs of the Conventions and other processes like the Commission on Sustainable Development and the UNEP Governing Council. The link that the GEF mechanism provides between these political processes and its operating policies represents a form of democratic guidance for development cooperation that also will be needed more and more in future.

The third element of innovation that I draw your attention to was the close partnership of the World Bank and the United Nations in this venture. The three principal implementing agencies of the GEF bring together complementary competencies—the World Bank's experience in the mobilization and disbursement of development finance; the UNDP's long experience in capacity building and its formidable field machinery; and UNEP's capacity to mobilise scientific and technical knowledge, support negotiating processes and act as the environmental conscience of the UN. This too is the way of the future, as the UN and other parts of the international system are called upon to tackle issues that will require effec-

tive linkages between policy-making and operational processes; between economic, social and environmental concerns; between financial, technical and logistical expertise.

I have dealt with this vision of GEF as a new approach to development cooperation because I believe that your deliberations on the next phase of GEF should be guided by the fact that the success that attends your effort will have a broader impact on the future of North-South relations. Your work will determine whether we can move from development cooperation driven by conditionalities based on the wisdom that is current amongst a few experts, to North-South

cooperation based on a true partnership driven by a negotiated consensus. I would urge all countries, those that are net contributors and those that are net recipients, to approach their work in this spirit.

Let me, therefore, conclude by stressing that the importance of the GEF goes beyond the amounts that it disposes and the objects that it serves. It is also an attempt to define a modality of development cooperation that is more suitable for an interdependent and democratic world.

I look forward to the continued success of this initiative and the replication of its underlying philosophy in other areas of development cooperation.

Statement by Michael Zammit Cutajar

Executive Secretary, United Nations Framework Convention on Climate Change

This first session of the GEF Assembly is a time to take stock of the significant achievements of this institution and to put down markers for its further evolution.

THE ACHIEVEMENTS OF THE GEF

The achievements of the GEF have been impressive.

■ ***The GEF has been able, through successive replenishments, to mobilize significant financial resources for action to protect the global environment.*** The level of the second replenishment gives cause for satisfaction and will ensure the continued vigour of the Facility, provided that timely contributions are made in accordance with convention commitments. The full extent of the potential for funding through the GEF has yet to be learned. In the area of climate change, this will become known as developing countries submit their national communications indicating their plans, programmes and preferred areas for projects.

■ ***The GEF has developed pragmatic operational strategies, responsive to guidance from conventions.*** Particularly noteworthy in this connection has been the development of a pragmatic approach to the issue of incremental costs, which is simple in theory but complex in practice and could have become a bottleneck for the operation of the Facility. Guidance from the conventions is a continuing process; updating and fine tuning will be needed from time to time.

In the area of climate change, Convention guidance could aim to enhance the role of the GEF in opening

the way for private investment in projects that will contribute to national and global sustainable development. This role can be fulfilled not only by implementing demonstration projects but also by enhancing the conditions for such investment. Improved access for host countries to technology information and assessment would strengthen their capacity to select the right investments for their development needs. Investors, for their part, need better information on the risks of climate change and the opportunities for profitable investment in its mitigation. These subjects are under consideration in the UNFCCC process.

■ ***The GEF has understood the importance of support for capacity building in developing countries and in countries with economies in transition.*** This too is an important foundation for private investment. A project of particular importance to the UNFCCC is that which will provide technical support to developing countries in preparing the national communications required by the Convention. We note with satisfaction that the project has finally been included in the GEF work programme at the recently concluded Council. We also note the remarks in the evaluation of the GEF's overall performance concerning the enabling activity programme and are ready to work with the GEF Secretariat and the implementing agencies to improve this aspect of GEF's activities.

■ ***Finally, the GEF has proven responsive to the need to expedite the development, consideration and approval of projects.*** The GEF mechanism is inher-

ently complex and can be cumbersome. The smooth flow of the project cycle needs constant attention.

ACTION BY THE UNFCCC

From the side of the UNFCCC, actions have been taken recently or are under way that concern the relationship between the Convention and the GEF.

■ ***COP 3 adopted the Annex to the Memorandum of Understanding on the determination of funding necessary and available for the implementation of the Convention.*** This is the final step in the process of organizing relations between the conference of the parties and the GEF with respect to funding. The annex provides a methodology for joint determination by the conference of the parties and the GEF Council of future replenishment needs in the climate change area.

■ ***The Convention bodies should conclude this year their review of the status of the GEF as the operating entity of the financial mechanism of the Convention.*** Given the time frame established in article 11.4 of the Convention, it is expected that COP 4, to be held next November in Buenos Aires, will conclude the review of the GEF and make a determination of its definite status. I sincerely hope that consensus will be reached on this matter, if possible at the eighth session of the Subsidiary Body for Implementation in June.

■ ***A decision should also be made this year on the process for considering national communications by developing country parties.*** This may generate further guidance to the GEF from the Convention.

THE IMPACT OF THE KYOTO PROTOCOL ON THE GEF

Of course, the main recent outcome of the work of the Convention bodies is the Kyoto Protocol, adopted by consensus last December. The Protocol is a significant step towards the Convention's objective of stabilizing concentrations of greenhouse gases at safe levels.

■ ***The Kyoto Protocol will have a substantial environmental impact.*** This committed Annex I emission reduction of 5.2% below 1990 levels by the period 2008–2012 represents a cut of some 29% when compared with projections of emission trends from Annex I parties in the absence of the binding commitments that the Protocol contains. Further steps towards the Convention's goal will have to follow in due time, progressively and equitably involving those non-Annex I parties (developing countries) with a capacity to contribute to achieving it.

■ ***The Protocol will also have an important economic impact.*** First, it is a building block of an emerging international climate regime that, through its impact on technological innovation, efficiency standards and consumption patterns in energy and transport, will influence the global markets of the 21st century. Second, the Protocol enables the establishment of market-based

mechanisms for Annex I parties to achieve emission reductions "offshore" at least cost; these mechanisms—defined by articles 6 (joint implementation—JI), 12 (the "clean development mechanism"—CDM) and 17 (emissions trading)—will create new markets and new ways of doing business.

■ ***Through its economic instruments, the Kyoto Protocol should generate substantial new flows of private capital.*** This is a key point for this Assembly. These new mechanisms, especially those that are project-based (JI and CDM), will only make sense if they attract private capital, with publicly-funded institutions playing at most a pump-priming role. Seen in this way, the mechanisms are not competitors for the scarce development cooperation funds on which the GEF and other multilateral financial institutions rely.

When the Protocol will enter into force is a matter for political guesswork. A good guess may be 2001. In the years before entry into force, work will go ahead on the small print of the Protocol, including the design of the new mechanisms, so that the Protocol may get off to a prompt start.

I shall be making a presentation on the Kyoto Protocol tomorrow afternoon in a side event. For now, let me mention three points which may have an impact, sooner or later, on guidance from the Convention to the GEF.

■ ***The GEF will perform the same functions under the Protocol as it does under the Convention.*** Article 11 of the Protocol envisages that the entity or entities entrusted with the operation of the financial mechanism of the Convention shall perform the same functions under the Protocol. The successful conclusion of the review of the GEF by the Convention parties will therefore confirm the GEF in its Protocol functions.

■ ***The Protocol will give rise to fresh guidance to the GEF from the Convention parties.*** Article 10 of the Protocol spells out some aspects of the commitments undertaken in the Convention by all parties, including developing country parties. In due time, this elaboration will be reflected in guidance from the Convention to the entity or entities operating the financial mechanism. Article 10 adds specificity to the content of national and regional climate change programmes, including sectors to be covered, and to the content of national communications. It emphasizes adaptation (technologies, measures and methods), as well as steps to encourage the transfer of or access to environmentally sound technologies. Support for research and systematic observation and for education, training and public awareness is also underlined.

■ ***The Protocol requires the establishment of national systems for estimating emissions, according to guidelines set by the parties.*** This requirement for "emissions accounting" applies to Annex I parties. It is stip-

ulated as a precondition for acquiring credits through joint implementation and may also be a factor in the credibility of the other new mechanisms. Some Annex I parties that are economies in transition will need help in building and maintaining these national systems; this could be a new task for the GEF. Looking ahead, this feature of the Protocol signals the likelihood that the emerging climate regime will require such systems

to be established in all countries. This underlines the importance already attached to capacity building and indicates that it is likely to be an element of growing importance in the future GEF work programme.

To conclude, the GEF is an essential member of the family of institutions that make up the "climate change partnership." The UNFCCC Secretariat looks forward to further constructive cooperation.

Statement by Calestous Juma

Executive Secretary, Convention on Biological Diversity

It is a distinct honour for me to address the first meeting of the Assembly of the restructured Global Environment Facility. I am very pleased to associate the Secretariat of the Convention with this event and to congratulate you on the successful completion of the replenishment negotiations. The success of these negotiations and the achievements so made by the GEF as the financial mechanism for key international conventions reaffirms the commitment of governments to responding to global environmental challenges through appropriate institutional innovations.

This meeting comes at a critical moment in the partnership between the Convention on Biological Diversity and the Global Environment Facility. This is your first and last meeting this century. Your resolutions will undoubtedly influence the future of biodiversity financing in the next century, and we look forward to strengthening our cooperation in meeting the objectives of the Convention.

The Convention on Biological Diversity is the centerpiece of the international community's efforts to protect and sustainably use the earth's greatest riches—the diversity of life. The Convention was opened for signature on 5 June 1992 during the United Nations Conference on Environment and Development held in Rio de Janeiro, and entered into force on 29 December 1993. Since then, 171 countries and one regional economic organization have become parties to the Convention.

The first meeting of the conference of the parties set in place the institutional mechanisms provided for in the Convention, which included the designation of the GEF as the institutional structure to implement the financial mechanism on an interim basis.

The second meeting adopted initiatives to operationalise the Convention, and the third meeting put

in motion measures to implement the Convention at the national level. I am pleased to note that the GEF has played a central role in the rapid transition of the Convention from the phase of agenda setting to national implementation.

The expanding cooperation between the Convention and the GEF is underscored by the effective execution of the enabling activities by the GEF and its implementing agencies (the World Bank, the United Nations Development Programme and the United Nations Environment Programme). The Convention Secretariat has received over 80 national reports from parties and governments, most of which have been prepared with GEF funding. This unprecedented level of compliance with the reporting requirements of the Convention demonstrates the strong commitment of parties and governments to the Convention. A review of these reports shows that most parties have already introduced the necessary institutional arrangements for implementing the Convention at the national level.

Support from the financial mechanism has proved to be one of the most critical elements in the evolution of the Convention. The availability of financial resources from the GEF has generated the momentum needed to advance implementation of the Convention. The GEF has allocated up to US\$418 million to biodiversity activities in the last three years. Over 100 parties to the Convention are receiving financial support from the GEF to prepare their national biodiversity strategies and action plans.

The relationship between the Convention and the GEF has evolved and matured in an effective manner, as evidenced by the Memorandum of Understanding between the Council and the conference of the parties. The GEF has exhibited remarkable flexibility for a funding institution through restructuring itself to meet the increasing expectations of parties and by

adapting its policy and operational practices to the challenges it has faced.

When the conference of the parties designated the GEF as the interim financial mechanism of the Convention, only 95 parties had deposited their instruments of ratification to the Convention. That number has increased to 172; the number of eligible recipient parties has nearly doubled.

I would like to express my sincere appreciation to the Council, the GEF Secretariat and the three implementing agencies for their commendable efforts to promote the implementation of the Convention at the national level.

From the perspective of the Convention Secretariat, it is clear that there is an urgent need to move beyond the question of which institution should be designated to implement the financial mechanism of the Convention. The challenge that faces us today is how to improve the effective functioning of our respective institutions.

In doing so, we will seek to work closely with the GEF and would like to welcome, for the consideration of the conference of the parties to the Convention, specific proposals on how we can strengthen our cooperation and enhance our ability to meet the objectives of the Convention.

Statement by K. Madhava Sarma

Executive Secretary, Secretariat for the Vienna Convention and the Montreal Protocol (Ozone Secretariat)

Ozone is a poisonous gas of 3 oxygen atoms. It is very rare in the atmosphere, three molecules out of 10 million. Ninety percent of ozone is in the upper atmosphere (stratosphere) between 10 and 50 km (6–30 miles) above the earth.

The ozone layer absorbs most of the harmful ultraviolet-B radiation from the sun and completely screens out the lethal UV-C radiation. This shield of ozone layer is one of the factors in protection of life on earth.

If the ozone layer is damaged, more UV-B will reach the earth. More UV-B means more skin cancers, more eye cataracts, less yield from plants, less productivity from the seas, damage to plastics, etc.

In 1970, Professor Paul Crutzen pointed to the possibility of nitrogen oxides from fertilizers and from supersonic aircraft depleting the ozone layer. Then, in 1974, Professors F. Sherwood Rowland and Mario J. Molina identified CFCs as ozone depleters. The three scientists received the Nobel Prize for chemistry in 1995 for their pioneering work on ozone depletion.

THE OZONE-DEPLETING CHEMICALS

CFCs (or more generally, halo-carbons) were discovered in 1928. They were considered “wonder gases,” having a long life, being non-toxic, non-corrosive, nonflammable and versatile. The use of these chemicals increased rapidly from the 1960s for many uses—aerosols, air conditioning, refrigeration, solvents, foams, fire fighting, soil, storage and structural fumigation.

ACTION BY UNEP

UNEP took up the issue of ozone depletion in 1976, and a meeting of experts on the ozone layer was convened in 1977. A Coordinating Committee of the Ozone Layer, in cooperation with the World Meteorological Organization was set up to periodically assess ozone layer depletion. In 1981, inter-governmental negotiations for an international agreement to phase out ozone-depleting substances (ODS) were initiated and culminated in the conclusion of the Vienna Convention for the Protection of the Ozone Layer in March 1985 and the Montreal Protocol on Substances that Deplete the Ozone Layer in September 1987.

The overall purpose of the Vienna Convention is to encourage research, monitoring of chemicals, including CFCs, and to promote cooperation and exchange of information. The Convention provides for parties to undertake measures to protect human health and the environment against human activities that modify the ozone layer and to cooperate through research and systematic observation of the ozone layer.

The Montreal Protocol's main thrust is to gradually reduce and finally phase out both production and consumption of all ozone-depleting substances. The Protocol provided for revision on the basis of periodic scientific and technological assessments. On the basis of such assessments by leading experts, the Protocol has been adjusted four times—in London in 1990, Copenhagen in 1992, Vienna in 1995 and Montreal in 1997—to bring forward the phase-out schedule of

ODS. It has also been amended three times to add new controlled substances to the list and introduce other control measures related to ODS.

As of 20 February 1998, the ozone agreements had been ratified by countries as follows: Vienna Convention, 166 parties; Montreal Protocol, 165 parties; London Amendment, 120 parties; and Copenhagen Amendment, 77 parties.

At present, there are 95 chemicals controlled by the Protocol grouped as: chlorofluorocarbons: CFCs; halons, hydrobromofluorocarbons—HBFCs; other fully halogenated CFCs, carbon tetrachloride, 1,1,1 trichloroethane-methyl-chloroform, hydrochlorofluorocarbons: HCFCs; hydrobromofluorocarbons: HBFCs and methyl bromide.

CONTROL MEASURES FOR THE CHEMICALS

Developed countries: Phase out of halons by 1994. Phase out of CFCs, carbon tetrachloride, methyl chloroform and HBFCs by 1996. Phase out of methyl bromide by 2005. Phase out of HCFCs by 2030.

Developing countries: Phase out of HBFCs by 1996. Phase out of CFCs, halons and carbon tetrachloride by 2010; methyl chloroform and methyl bromide by 2015; HCFCs by 2040.

TECHNOLOGIES

The success of international efforts to protect the ozone layer has been made possible because science and industry have been able to develop and commercialize alternatives to ozone-depleting chemicals. Developed countries ended the use of CFCs much easier and earlier than was originally anticipated.

Not-in-kind substitutes have proved particularly important in the electronics sector. The foam-blowing sector has made use of water, carbon dioxide and hydrocarbons, as well as HCFCs. The refrigeration and air conditioning sector has largely used HCFCs (which are low ozone depleters) as alternatives, but new equipment is increasingly using non-ozone-depleting hydrofluorocarbons (HFCs), ammonia and hydrocarbons—as in, for example, the “greenfreeze” domestic refrigerator.

Consumers have used recycling of halons to provide extra time to develop substitutes for halons for fire fighting. Other extinguishing agents such as carbon dioxide, water, foam and dry powder are now widely used. Alternative approaches, such as good fire prevention practices, use of fire-resistant materials and appropriate designs for buildings have significantly reduced the need for halon systems, and total phase out was achieved smoothly by 1994.

Phase out efforts in industrialized countries are now concentrating on HCFCs and methyl bromide. Parties to the Montreal Protocol are mandated to ensure that HCFCs are used only as direct replacements for other

ODS where other, more environmentally suitable alternatives are not available. HCFCs were critical in meeting the early CFC phase-out goals, but are generally considered much less important for new equipment available in the medium and long term.

The phase out of methyl bromide is a more difficult issue. This is partly because it concerns agriculture and also because alternatives are less easily available. The major use is in agriculture, mainly for fumigation to control pests and weeds. Such treatment is often required by importers of agricultural products. Some countries have already subjected the chemical to controls because of concerns about its toxicity, much before the concern about its ozone-depletion potential became an issue.

MULTILATERAL FUND FOR DEVELOPING COUNTRIES

The parties to the Montreal Protocol established at their second meeting (June 1990) a financial mechanism which included a Multilateral Fund. The purpose of the Multilateral Fund is to enable developing countries to implement their commitments under the Montreal Protocol. The Fund pays the agreed incremental costs to be incurred by developing countries for the phase out of their ODS consumption and production. It is administered by an Executive Committee of 14 countries, chosen by the parties to the Protocol every year, seven from developing countries and seven from developed countries.

The UNDP, UNEP, UNIDO and the World Bank are the implementing agencies of the Fund. UNEP maintains a clearinghouse of information and assists in training, setting up national ozone units, preparation of country programmes, networking and preparation of refrigerant management plans. It has assisted over 100 countries so far. The other implementing agencies plan and implement investment projects to phase out ozone-depleting substances.

- The main achievements of the Multilateral Fund are:
- As of December 1997, nearly 89 percent of 1991–1996 assessed contributions has been paid as well as 67 percent of the 1997 contributions. A large portion of outstanding contributions are from countries recently classified as economies in transition.
 - The Executive Committee has approved 86 country programmes, covering the estimated production of 68,950 ODP tonnes and the consumption of 152,600 ODP tonnes of controlled substances.
 - So far, the Executive Committee has approved more than 2,000 projects and activities with a planned phase out of 96,460 ODP tonnes of controlled substances and 12,940 ODP tonnes in the production sector, and allocated US\$729.82 million for their implementation in 111 Article 5 countries.
 - The Committee has allocated more than US\$18 million for setting up ozone offices, US\$68 million

for technical assistance and training programmes, and US\$39 million for the preparation of country programmes and project proposals.

GLOBAL ENVIRONMENT FACILITY

GEF had been established by the world community to assist the developing countries on four global environmental issues—ozone depletion, climate change, biodiversity and international waters. GEF assists in projects and activities for phasing out ozone-depleting substances in Eastern European countries with economies in transition which are not eligible for assistance from the Multilateral Fund since they are not recognized as developing countries. These countries have experienced many problems in their transition to market economy and have found it difficult to implement the Protocol. US\$111 million has been sanctioned by GEF to assist the following countries—Belarus, Bulgaria, the Czech Republic, Hungary, Poland, the Russian Federation, Slovakia, Slovenia and Ukraine—to implement the Protocol. The implementing agencies of GEF projects are UNDP, UNEP and the World Bank.

RESULTS OF THE PROTOCOL

The results of the Protocol in the last ten years have been startlingly good and have been hailed by many as a shining example for solving other global environmental problems. The total consumption of CFCs was about 1.1 million tonnes in 1986. By 1996, this had come down to about 160,000 tonnes. The consumption of the industrialized countries which stood at about a million tonnes in 1986 has been completely phased out but for a consumption of 11,000 tonnes for essential uses approved by the Parties. The developing countries have increased their consumption by about 30 percent in the last 10 years, as permitted by the Protocol but, considering the high rates of economic growth in many of the developing countries recently, it should be admitted that the Multilateral Fund has succeeded in preventing undue rise in the consumption of CFCs. Developing countries will begin the implementation of their control measures in July 1999 and phase out thereafter. Of the 120 developing countries, about 20 countries account for more than 90 percent of the consumption of developing countries. Of these 20, key countries like Argentina, Chile, the Islamic Republic of Iran, Republic of Korea, Malaysia, the Philippines, the Syrian Arab Republic, Thailand and Venezuela have already started their reduction of consumption in 1996.

STATUS OF THE OZONE LAYER

Atmospheric scientists in USA, Europe, Japan and many other countries have been observing the ozone layer for many years now. The ozone layer over the Antarctic, measured since the early 1980s, showed steady

depletion so far. In 1985, the British Antarctic team discovered massive losses of ozone (“ozone hole”) over the continent. The land area under the depleted areas increased steadily to more than 20 million square kilometres in the early 1990s and has been varying between 20 and 25 million square kilometres since. In the Antarctic spring of 1997—i.e., August–November 1997—the area of the ozone hole exceeded 24 million square kilometres (more than twice the area of Europe). It covered some populated areas of the Southern Hemisphere. Scientists hold the cold atmosphere over Antarctic and the polar stratospheric clouds responsible for the ozone hole. The ozone layer over the Arctic has no “hole,” but depletion of up to 30 percent over the last few years has been observed. The depletion over Europe and other higher latitudes varies between 5 percent and 30 percent.

The scientists also observe constantly the abundance of ozone-depleting substances in the atmosphere. They have reported that, thanks to the Montreal Protocol, the growth rates of many CFCs are going down, though the absolute quantities are increasing. The atmospheric abundance of some CFCs (CFC-11, CFC-113, carbon-tetrachloride and methyl chloroform) is declining. The abundance of CFC substitutes is growing. The scientists have calculated that these observations are consistent with the assumption that the Montreal Protocol is working. Even though the Protocol is working well to reduce the consumption of ozone-depleting chemicals, the long life of chemicals released in the past will keep the depletion going for a few more years. The scientists predict that the ozone layer will begin healing only by the year 2000, and we can expect the healing to continue if the Protocol is fully implemented. The full recovery will be effected by the year 2050.

The growth rates of halons, used in fire fighting, have not decreased, even though new production has been phased out in 1994, since the halons in existing fire-fighting equipment get emitted whenever there is a fire. This is worrying, since bromine contained in halons is fifty times more efficient than chlorine of CFCs in depleting ozone. The parties to the Protocol have requested the concerned expert panel of the Protocol to explore the implications of decommissioning the existing halons systems and destruction of the halons therein.

FUTURE CHALLENGES

While the Protocol has been hailed as an extraordinary success so far, there is no room for complacency. There are still some challenges to be faced.

NON-PARTIES

There are still 23 countries which have not ratified the ozone treaties. It is true that these are very small

countries whose consumption of ODS is negligible, but it is in the interest of these countries to ratify the agreements.

COUNTRIES WITH ECONOMIES IN TRANSITION

The implementation of the Protocol from 1989 has unfortunately coincided with massive changes in the political and economic systems of the former Soviet Union and Eastern European countries. The instability in these countries until recently made implementation very difficult. As a result, the Russian Federation and a few other countries admitted in 1996 that they will be unable to follow the phase-out time-table. They have, however, promised to complete the phase out by the year 2000, if sufficient assistance is forthcoming. The parties to the Protocol considered non-compliance by these countries and recommended assistance by the Global Environment Facility, which has given the assistance and has so far disbursed \$111 million to 11 countries in this region. These countries accounted for a consumption of about 150,000 tonnes in 1986. It has fallen significantly to about 20,000 tonnes in 1996. It is hoped that these countries will complete their phase out by the year 2000.

ILLEGAL TRADE IN CFCs

The major problem which arose in the last few years is the problem of illegal trade. There are many factors which contribute to this problem. All new CFCs are now banned in all the industrialized countries. However, there are millions of pieces of equipment which use CFCs still in service. Alternatives to CFCs have been developed to service this equipment (car air conditioners, etc.) whenever the CFCs leak out. However, some consumers consider the alternatives costlier. Also, the parties to the Protocol have permitted the use and trade of recycled CFCs to maintain the existing equipment, and it is difficult to distinguish between new and recycled CFCs. The production of CFCs is continuing in many countries. In industrialized countries, the production is continuing to meet their essential uses and to supply developing countries as permitted by the Protocol. The developing countries are allowed to produce subject to controls only from 1st July 1999. Hence, they have increased their production. Countries such as the Russian Federation are continuing production in non-compliance with the Protocol but have promised to phase out by the year 2000. Also, in the United States, the market price of CFCs is very high due to a high tax. All these factors contributed to some traders illegally exporting new CFCs to the industrialized countries either in the guise of recycled substances or in the guise of export to developing countries. The profits are said to be higher than those obtained by exporting cocaine. Obviously, the total illegal trade cannot

be estimated accurately but is perhaps in the region of about 30,000 tonnes.

The seriousness of this problem has been realized by the parties. Countries such as the United States are taking stringent action against these smugglers by imprisoning them and fining them heavily. The European Union recently introduced tough controls. The parties have also mandated that each party should have a licensing system to import or export CFCs. This makes it easy for the Secretariat to compare the figures and inform governments regarding the source of illegal CFCs. The World Bank is also raising \$25 million from donors to buy off the production facilities in the Russian Federation and to close them down by the year 2000. This problem is one which will be cured by the closure of the factories throughout the world, but, meanwhile, the parties and the Secretariat will take all possible steps to minimize illegal trade.

METHYL BROMIDE

Methyl bromide is an insecticide used for fumigation of soils structures and storage. Most of the use is in soil fumigation for high-value crops. This chemical, apart from being an ozone depleter, has many other toxic properties. Some countries like the Netherlands have banned its use because of these other toxic properties. The parties to the Montreal Protocol understood its significance as an ozone depleter only in 1992, and the developing countries have accepted a phase-out schedule only in 1997. The total world annual consumption of methyl bromide is about 70,000 tonnes, most of it in the industrialized countries. At present, it is used only in a small number of countries and only in high-value crops. However, only 77 countries have ratified the Copenhagen Amendment of 1992 which introduced controls of methyl bromide. The other countries of the world have not accepted controls on methyl bromide. There is considerable danger, therefore, that the consumption of methyl bromide could spread to more countries and to more uses than at present. The challenge before the parties is to stop this in time. Many alternatives are emerging for methyl bromide in various uses, and the Multilateral Fund has taken up a \$30 million programme to demonstrate these alternatives in developing countries.

WHAT WOULD HAVE HAPPENED IF THERE WERE NO MONTREAL PROTOCOL?

The ozone-depleting chemicals had reached a level of consumption of 1.1 million tonnes in 1986—about 1 million tonnes in the developed countries and the rest in the developing countries. Quicker growth in the consumption of these chemicals was due to their many desirable characteristics, including a long life. These chemicals are used in goods such as air condi-

tioners and refrigerators, and the demand for these goods galloped in developing countries from the 1980s in step with their rapid economic growth. It has been calculated that the global consumption would have reached about 3 million tonnes in the year 2010 and about 8 million tonnes in the year 2060.

The depletion of the ozone layer from 1980 is about 5 percent per decade. The increased consumption would have resulted in a 50 percent depletion of the ozone layer by the year 2035.

The implications of this increased ozone depletion would have been horrendous. There would have been nearly 19 million cases more of nonmelanoma skin cancer up to the year 2060 and 3 million more cases up to 2030. There would have been nearly 1.5 million more cases of melanoma skin cancer by the year 2060. The number of eye cataracts would have increased by about 130 million cases by the year 2060—about 50 percent of this in developing countries. There are many other unquantifiable effects such as loss of immunity, adverse impact on animals, lower productivity of crops and damage to aquatic ecosystems including fishing and degradation of plastics. There has been a study by the Government of Canada which calculated that, while the world would ultimately spend many billions of dollars in changing to ozone-safe technologies, the benefits would exceed these costs many times.

LESSONS OF THE MONTREAL PROTOCOL

There are many lessons of the Montreal Protocol which can be applied to solving other global environmental issues.

The first lesson is the application of the “precautionary principle.” When governments acted in 1985 and 1987, there had been no actual damage to human health proved to be caused by ozone depletion. However, governments heeded the advice of the scientists that if they waited longer for a 100 percent proof, the ozone layer would have been destroyed to such an extent as to cause serious adverse consequences, and these consequences would have continued for many decades. The lesson, therefore, is to take action in time to prevent damage rather than wait until the damage has been proved by which time the damage would have been great and irreversible.

The Protocol mandated specific time tables for every country to phase out their profitable “wonder” chemicals. This signaled to the industry that these chemicals have no future and led to development of alternatives quickly. This “technology forcing” accelerated the phase out. The Protocol created markets for the alternatives.

Another important lesson of the Protocol is how to act on an issue when there is no scientific certainty.

In 1987, there was considerable uncertainty about the extent of the ozone depletion, its adverse effects and availability of alternative technologies. The ozone-depleting chemicals were used in many industries and were considered irreplaceable. In order to deal with this uncertainty, governments took a small step first of a partial phase out and involved the scientific community to advise them periodically on the further steps needed to protect the ozone layer and on the availability of alternate technologies. Four times so far in the last 10 years, the governments changed the Protocol in accordance with such scientific advice. For the first time, the scientific community has a front seat in environmental negotiations.

One more lesson of the Protocol is in promoting universal participation, including of the developing countries in the Protocol, by recognizing “common and differentiated responsibility.” It was realized early that it requires global participation to protect the ozone layer. While the developing countries had a small share of the consumption in 1986 (and hence little responsibility for ozone layer depletion), their increasing consumption would have nullified the efforts of the industrialized countries to phase out these chemicals. The adverse impacts would have been felt by all. It was also realized that the developing countries may not have the skills, technologies or resources to implement the Protocol in time. Hence provision was made for a grace period, technology transfer and the Multilateral Fund. The developed countries alone contribute to the Fund, while the Fund—administered by a committee of 14 members—is equally divided between developing and developed countries. These steps resulted in almost all the countries committing themselves to the protection of the ozone layer.

Another lesson is the integration of science, economics and technology both in devising the control measures and in implementing them. The assessment panels of the Protocol, with experts from all areas including industry, have provided expertise to the parties to take informed decisions. The involvement of industry ensured development of cheap and effective alternatives.

The evolution of the Protocol has proved the usefulness and indispensability of UNEP. UNEP provided the platform for countries with differing points of view to come together. It organized the scientific assessments which not only identified the problem but also provided options to solve the problem. In the early 1980s, even when governments lost interest, UNEP persisted until consensus was achieved. It is continuing to work on the issue both as a Secretariat and as a clearinghouse for information. Its activities help more than a hundred governments to implement the Protocol.

Statement by Hama Arba Diallo

Executive Secretary, Secretariat of the Convention to Combat Desertification

It is my great honor and pleasure to be invited to address this landmark gathering. I would like to thank His Excellency, Mr. Atal Bihari Vajpayee, Prime Minister of India, and his Government for hosting this meeting so graciously. I would also like to congratulate the GEF Secretariat upon its strenuous efforts to make this meeting a success. In this respect, I would like to acknowledge the able leadership demonstrated by Mr. Mohamed El-Ashry, Chief Executive Officer and Chairman of the GEF, and I would like to join others in paying a tribute to him.

The GEF has served over the past seven years as an innovative multilateral financing mechanism. It is aimed at providing new and additional concessional financial resources for meeting the incremental cost to achieve global environmental benefits. The collaboration among three implementing agencies—namely, the World Bank, the UNDP (United Nations Development Programme) and the UNEP (United Nations Environment Programme)—also exemplifies its innovative character. Its membership has increased now up to 162 countries. I would also like to congratulate countries contributing to the GEF upon the conclusion of the negotiation on the second replenishment which amounts to 2.75 billion dollars. This will indeed help maintain and enhance the momentum for taking greater care of our planet and assist developing countries and countries with economies in transition in implementing required policy measures at the local and national levels and mobilizing additional financial resources.

It is worth noting that the prototype of the restructured GEF actually stems from the agreement in Chapter 33 of Agenda 21 adopted at the 1992 Rio Earth Summit or the UNCED (United Nations Conference on Environment and Development). In this respect, I would like to stress that the same international instrument, Agenda 21, in calling for the establishment of the Intergovernmental Negotiating Committee in its Chapter 12, paragraph 40, gave birth to the Convention to Combat Desertification (CCD). The restructured GEF and the CCD trace their origins to Agenda 21. However, the GEF has not been designated as a full-fledged financing mechanism for the CCD unlike for the United Nations Framework Convention on Climate Change (UNFCCC) or for the Convention on Biological Diversity (CBD). Article 2 of the instrument for the restructured GEF stipulates

that the GEF shall operate in four focal areas—namely climate change, biological diversity, international waters and ozone layer depletion. Under this principle, the GEF can finance projects aimed at combating land degradation, desertification or drought as far as they relate to the four focal areas. The instrument for the restructured GEF, which provides for four focal areas, was agreed upon prior to the adoption of the CCD in June 1994. It has therefore played a role in differentiating the CCD from other conventions in the GEF framework. Such a structural principle has served to maintain a discipline in the operation of the GEF. On the other hand, it cannot be denied that such a principle has also imposed a certain degree of constraint in mobilizing or channeling financial resources for activities aimed at combating land degradation and promoting sustainable use of land based resources. In the GEF operational programs published in June 1996, the component of addressing issues related to land degradation and arid and semi-arid land management are stated as a part of the key GEF operational programs. While a considerable number of GEF projects include a certain degree of components to address land degradation issues, concerns have been occasionally expressed over the limited portfolio of the GEF for projects which address land degradation issues, and calls for increasing its portfolio of land degradation are becoming vocal. I am grateful to note that a first GEF project which squarely addresses land degradation issues in Senegal and Mauritania entitled Biological Diversity Conservation through Participatory Rehabilitation of Degraded Lands was approved by the GEF Council yesterday and will now be in the process of implementation. I sincerely hope that this will trigger an increase in the GEF portfolio for projects that address land degradation issues. In this respect, I call for a close cooperation between the CCD, the CBD, and the UNFCCC Secretariats in identifying activities which would meet the requirements and objectives of the three Conventions and can be supported by the GEF.

Land degradation is caused or accelerated by climatic irregularities or natural disaster as well as human-induced activities. Land degradation occasionally leads to desertification which would have multiple impacts on the global environment such as climate change, the loss of biodiversity and the availability of water. Let me now elaborate a little more on

multiple impacts of land degradation and desertification on the global environment.

At the Third Session of the Conference of the Parties to the UN Framework Convention on Climate Change held in Kyoto last year, the Kyoto Protocol was adopted to set forth, in its Article 3, epoch-making commitments for industrial countries as well as countries with economies in transition to reduce greenhouse gas (GHG) emissions from 1990 levels by 5.2% on average between 2008 and 2012. This commitment remains one of the critical challenges which the international community needs to overcome at the turn of the next millennium. Further technological advancement as well as policy reforms are required to achieve substantial reductions of GHG emissions. Related to the commitments for reducing GHG emissions, it is also important to note that pursuant to paragraph 3 of Article 3 of the Kyoto Protocol, enhancement of sinks of GHGs such as afforestation and reforestation can be considered as an offset for GHG emission reduction commitments and subtracted from the committed amount of emission reductions. Furthermore, paragraph 4 of Article 3 states that additional human-induced activities related to changes in GHG emissions and removals—for instance, through carbon sequestration in agricultural soils, land use changes and forestry categories—may be subtracted from the committed amount of emission reductions, although it is still subject to future negotiations. Growing carbon sinks is a critical part of policy measures to meet the commitments for reducing GHG emissions.

Drylands are vast carbon reserves, and their potential to be carbon sinks is significant. Such carbon reserves do not normally participate in the carbon flux in natural ecosystems. However, they will be released into the atmosphere in a large quantity when dryland conditions are disturbed through fire, pest outbreaks, storm and floods. The fluxes of carbon into the atmosphere are even greater in the case of grasslands and cropped drylands, which contain a large quantity of carbon, are disturbed by aforementioned external eventualities and shocks. This interrelation between carbon reserves of drylands and the fluxes of carbon into the atmosphere indicates the importance of appropriate dryland management or even the potential of utilizing drylands.

Due attention has not yet been paid to the fact that appropriate dryland management does not only help us in tackling climate change or global warming, but also in forging our efforts to preserve biological diversity. The preservation of biological diversity is essential not only because its loss is not recoverable, but also because it enables us to keep our agricultural sector adaptable to changing climatic conditions and eventualities. About 90% of drylands around the

world is susceptible to desertification. On the other hand, these drylands hold crop species which are resistant to drought and disease. Such species are, however, also faced with the danger of extinction due to poor land use practices which lead to vegetation destruction and soil loss. Here again, appropriate land use practices are quite essential for preserving biological diversity, maintaining sustainable food production and alleviating poverty.

Fresh water is a critical component of the global environment of our planet. Fresh water, which is already unevenly distributed around the world, has been running short due to the increasing demands for water. Water shortage has been becoming more serious. The high cost of introducing technologies to convert sea water to fresh water still prevents their wider application. The rapid growth in water demand stems from the increasing reliance on irrigation to achieve food security. It should be noted, however, that most of the water drawn for irrigation just drains away in most developing countries due to inappropriate water management policies and practices. Distorted water supply at the country and sub-regional levels further accelerates land degradation and progresses desertification. Appropriate water supply policies and water management practices, particularly those aimed at increasing efficiency of water use, need to be implemented. Such policies are inextricably interwoven with our efforts to combat desertification.

The El Niño phenomenon also remains a serious concern. It has been causing floods in several arid African and Latin American countries, at the same time causing drought in countries with a tropical climate. It has been negatively affecting agricultural production in Latin American countries. All these events significantly deteriorate land conditions and encourage soil erosion and land degradation. Appropriate land management policies are also important in mitigating the El Niño phenomenon.

The United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, was adopted in June 1994 and came into force in December 1996. Forty-seven percent of the land space on this planet is arid land, 90% is susceptible to desertification and 20% has already been experiencing land degradation. Land area equivalent to Ireland turns into arid land every year, and 1.2 billion people are drawn into a vicious circle of environmental degradation, deepening poverty and deteriorating health. And many developing countries, particularly least developed countries, significantly lack the capacity to tackle these issues. The CCD has been considered as an innovative international framework for activities to combat desertification and drought, and strengthen international cooperation for these

purposes. It advocates the promotion of a bottom-up approach involving local people and community-based organizations. It has now 124 parties as of today, and about 150 parties are expected to attend the Second Session of the Conference of the Parties (COP2) to be held in Dakar, Senegal from 30 November to 11 December this year. The CCD Secretariat has been acting as a catalyst for mobilizing public and international support for achieving these objectives in collaboration with the International Fund for Agricultural Development, UNDP, UNEP, FAO, WMO and other partners. The GEF is also one of our important partners. Our COP adopted a decision last year calling for closer cooperation between the GEF and the CCD, and I hope to further strengthen our partnership with the GEF in coming years. Our Secretariat will move from Geneva to Bonn, Germany, next year and be collocated with the Secretariat of the UNFCCC. It will help us enhance our partnership with the UNFCCC. We will also continue to enhance our partnership with the CBD and other Conventions to help one another achieve common objectives. Through collaboration with our partners, the CCD will become a facilitator for combating desertification and drought, and promoting sustainable use of land based resources through its multi-disciplinary nature and linkages, particularly with climate

change, biodiversity and water management. We have been making a great deal of progress in implementing our work programmes for facilitating activities at the local, national, sub-regional and regional levels. I really hope that at the upcoming COP2, many countries will assemble as parties to the CCD, witness our progress and give us support and guidance for making further progress. In this respect, I would like to seek your leadership to those who have come from the countries which have not ratified or acceded to the CCD, for enabling us to receive you and your country representatives as members to the CCD at the upcoming COP2. It will be the largest international conference ever to be held in a sub-Saharan African country to discuss the issues of the global environment and sustainable development. I hope all of you can join us in ensuring the success of our meeting.

Finally, I would like to stress once again the critical and multi-disciplinary nature of combating desertification in our effort to protect the global environment. The CCD has organized a workshop from 3 to 5 tomorrow afternoon, Thursday, April 2, entitled Land Degradation and Its Multiple Implications for the Global Environment, to discuss further these issues. I hope you can attend our workshop and share your experiences and wisdom with us.

Statement by Pier Villenga Chair, Scientific and Technical Advisory Panel, Global Environment Facility

In this hall of science, it's really an honor to have the opportunity to address you and to talk about the findings of our 11-member scientific committee.

The mission of our committee is to ensure that the GEF, the Council, the implementing agencies, and the countries get the best science and technology can provide. Our position in here as a scientific committee is unique in the world of multilateral and bilateral agencies, and there is a reason. Many of the actions to safeguard the global environment are based on only a partial understanding of the underlying natural and social processes. And it was decided from the outset that GEF should have a scientific committee to support the overall strategy, to underpin the operational programs, and to review the GEF projects.

In practice, our panel acts as the interface between the global scientific and technical community and the GEF and the countries GEF works with. We work closely with the scientific bodies of the Conventions and research bodies such as IPCC and also with international organizations like ICSU, the Third World Academy, and groups and bodies such as IUCN and Diversitas.

Our work is described in the paper that is in your Assembly documents called "Highlights of STAP." To illustrate our work, I will mention a few examples.

One of the issues we addressed at the request of the GEF Council is renewable energies. What are the most appropriate technologies, and under which conditions will they work? We identified the most promising ones, and we also calculated what it would need to introduce them in the market. And we have found

that the best way to give renewables a chance is to remove the barriers, including subsidies for fossil fuels; and, second, to engage the private sector and develop an industry in renewables; and, finally, to introduce a financial facility to kick start the market—like the GEF, but beyond that—at the national level.

We concluded, indeed, that this will require some money, some subsidies, but it will be much less than ever invested in research and development on nuclear energy.

Renewable energy is relatively straightforward, but what about coal, especially in this country, India? At the request of the Council, the STAP, together with a broad range of experts, has tried to clarify the coal issue. Our first conclusion is that coal is so important that it should remain on the GEF agenda. There are, indeed, excellent technological opportunities to make coal cleaner. We uncovered a range of technical options to make the use of coal much cleaner and outlined a three-step strategy, and it starts with the introduction of techniques that increase efficiency by a factor of two and, meanwhile, reduce local air pollution. And we further illustrated that, over time, decarbonated coal can provide the basis for a long-term and completely clean hydrogen economy.

Then on biodiversity, we mobilized the scientific community to help GEF to develop a strategy on sustainable use of biological resources, and our advice was put together with the scientists' including the Chair of the Scientific Bodies on Biodiversity Convention. We identified that there are, indeed, many opportunities and examples of sustainable use practices, like shell fisheries in Chile, wildlife management in Africa and Asia, and mangrove management systems in Malaysia. Beautiful examples.

But one message is clear, and it's not an easy one. To enable sustainable use of biodiversity, a new approach is needed. While biodiversity protection can be organized with just capital and management, sustainable use does require stakeholder involvement, and it requires skills, new incentives, and new institutions to safeguard the biodiversity while using it.

On international waters, the STAP has developed the scientific and technical basis for a global international waters assessment. However, we concluded it should be done differently for waters than for climate, and we strongly advise that a global international waters assessment would start by regions and would be developed bottom-up from the regions, including the watersheds and the coastal seas. And I am happy that UNEP has picked up this idea and that the GEF has now approved this global international waters assessment and will cofinance it.

On land degradation, the STAP has helped the implementing agencies and the scientists from this convention to combat desertification to clarify the

global benefits and opportunities to generate GEF projects in this field, and we helped the GEF to develop a number of projects in Africa.

Let me finish by addressing one of the most challenging issues for the GEF. Many of the early environmental problems, like water pollution, air pollution, and toxic waste, can be addressed by process technology and biotechnology, and therefore, economic development and the environment can go hand in hand. But for global environmental problems, this is not as easy, as these environmental problems are caused by a major human interference in the primary global bio-geochemical cycles, like the carbon cycle, the nitrogen cycle, the water cycle, and the biodiversity heritage and its dynamics. And we will really require coherent transformation of the way we meet our needs in the field for water, food, energy, and land use, because the actions of all the global conventions, when it comes to programs and activities, it all boils down to these cycles, and it boils down to water, food, energy, and land use.

That's why there is a continuous position for STAP to ensure that the GEF activities in this field can be coherent and can mutually support each other. In the same way as GEF tries to find synergies in projects that address local and global concerns, the scientific community should bring together the knowledge about the natural system and the social system and bring together this knowledge to the benefit of better practices in the way we meet our needs.

The final topic, and dearest to my heart, is learning through cooperation. For GEF as a whole and for STAP in particular, mobilizing the wider scientific and technical community is one of the most powerful tools to guide our development in a sustainable direction. And the CEO has encouraged STAP to mobilize this community from the very start. STAP is doing its task, but we cannot do everything. We need the help of the GEF focal points in all the countries to bring together the natural/social scientists and the technology experts around the themes GEF is addressing.

I would like to say in parallel to this a very realistic slogan on biodiversity which says, "Use it or lose it." It's a popular but very true slogan for biodiversity. But the same holds for the scientific community and the technological community worldwide, and in particular in developing countries. We talk a lot about capacity building, but I have found there is a tremendous capacity out there. We just have to utilize it.

So, as for biodiversity, it holds for scientific and technical human capital. Use it or lose it. And I hope that you will return from this Assembly to your countries and call on your national scientific and technical community to assist you in identifying and promoting projects and practices that help the goals of the GEF.

Statement by Anil Agarwal

Director, Centre for Science and Environment

I consider it an honor to deliver this statement on behalf of the nongovernmental organizations. I also feel privileged in doing so in my own home town, a city which has had a long history, one full of beauty, art, and architecture, but one which also faces major environmental challenges today.

The Global Environment Facility is one of the concrete results of the UN Conference on Environment and Development held in Rio in 1992. It still remains the only multilateral mechanism which provides financial support for projects that aim to deal with some of the most urgent global environmental problems facing humankind today.

There can, however, be no doubt that the 21st century will have to see such a Facility built on the new and more dynamic principles of global environmental cooperation that the new century and the new millennium will demand. Instead of aid being the only principle underpinning this cooperation at a global scale, we may have to move toward sharing of the benefits of global common properties, resources like the atmosphere and the oceans, internalization of environmental costs in the pricing of internationally traded commodities, and national liability for international ecological damage built on the “polluter pays” principle.

It was in 1972 that Barbara Ward had told the Stockholm conference that there is only one Earth. The need to share that Earth equitably, peacefully, and sustainably has never been greater. Sooner or later, multilateral financing mechanisms will have to be built on new and emerging principles of global international cooperation.

However, we do see the GEF in its current shape and form as an important step forward. Recognizing the importance of GEF in nudging the world towards a sustainable world, nongovernmental organizations from various countries who make up the GEF-NGO network have presented this Assembly with a statement entitled “The GEF in the 21st Century: A Vision for Strengthening the Global Environment Facility.” The statement draws on the experience of NGOs in interacting with GEF at many levels and makes several key recommendations for strengthening and improving the performance of GEF.

Our first point is that the resolution of the issues we’re dealing with is going to be a very challenging task. Resolution of environmental problems must take into account the related social, economic, and

cultural issues. Therefore, GEF must be an institution with a genuine learning culture. In order to do this, we strongly believe that the monitoring and evaluation program of GEF should be strengthened, its institutional independence maintained, and civil society groups involved in its work in a more effective and systematic manner.

Our second point is that the GEF must do more to ensure that global environmental concerns are integrated into the non-GEF operations of its three implementing agencies. By themselves, the resources of GEF are far too small to affect the current development trajectory of the planet. We believe that there should be periodic detailed reporting on concrete steps undertaken by the implementing agencies to mainstream the global environmental objectives of the GEF.

On our own part, we’re exploring the idea of establishing a new mechanism for dialogue on a regular basis with the implementing agencies to address these mainstreaming issues related to the global environment.

Our third concern is that the number of implementing agencies needs to be expanded beyond the existing three. We believe that the number of implementing agencies should be expanded to increase the involvement of NGOs and community-based organizations. We believe the GEF should be a place where the best project ideas and most promising implementers with genuine comparative advantage can compete.

Our fourth point is that the GEF should become a mechanism to catalyze and support better funding cooperation and coordination among multilateral and bilateral funding agencies, supporting activities with global environmental objectives. We argue that a funding coordination dialogue process for the global environment should be established. In addition, we believe that there is a need to evaluate in depth which of the various funding modalities used until now have been most effective in order to understand which of these modalities should be given higher priority for GEF programming, with the aim of improving overall GEF effectiveness in the future.

Among the modalities that need to be considered in greater detail are national environmental funds, endowments and trusts, enterprise programs, expansion of small and medium grants, concessional or contingent loans to help start projects with negative incremental costs, debt conversion options, micro credit programs, etc.

A key message of the Rio Conference was the importance of the civil society in sustainable development. I can't think of any other UN conference which emphasized this more. Building partnerships was a key to the sustainable development process: that is, partnerships between the government agencies, research institutions, the private sector, NGOs, and communities. GEF is focusing mainly on government institutions and underemphasizing the role of small local NGOs and community groups, and the role of small and medium grants needed to support their activities.

The role of NGOs as a watchdog on GEF projects, especially where there are negative social impacts, also needs to be appreciated, supported, and formalized to the extent possible and necessary.

But apart from the strengthening of the GEF, there is a need to look beyond the current narrow mandate of the GEF. It is a sad fact that the post-Rio period has seen a fragmentation of the global environmental agenda rather than the development of a strong, well-coordinated global program. The GEF as an institution should play a greater role in developing an integrated global environmental agenda in the years to come.

The key message of the Rio Conference was not environmental conservation, but sustainable development. Therefore, GEF has to be an agency that participates in and promotes the development of a global sustainable development program. For the South, too, the challenge of the environment is essentially the challenge of sustainable development.

The world is today struggling to implement two equally critical global action programs, namely, the Rio Agenda and the Copenhagen Agenda. But each program is following a separate track. The GEF cannot allow the global environment to become an isolated issue. On the contrary, it should play a key role in the integration of the Rio and Copenhagen Agendas, with a focus on world poverty, including its deep relationship with the ongoing processes of environmental change.

In fact, many global environmental issues, like climate change, biodiversity, and desertification, are deeply connected with the problem of global poverty. In addition, there is a need for greater synergy between

the programs of different environmental conventions.

It is impossible, I submit, to de-link local environmental problems from global environmental issues. When does biodiversity conservation stop being a local environmental issue, deeply connected with the livelihoods and knowledge of innumerable poor rural communities of the world, and when does it start becoming a global issue is very difficult to say or define.

Carbon sequestration activities, so important for controlling climate change, are deeply related to land use systems, environmental regeneration, and local livelihoods built around agriculture, forestry, and pastureland management. It is, therefore, critical that GEF play a key role in integrating the local with the global.

Unfortunately, the concept of incremental cost, which has not yet been defined satisfactorily, has created both conceptual and practical problems in bringing about this integration. It is now necessary—and I would submit this to the distinguished delegates—to re-evaluate the value of this concept and discard it, if necessary.

We see the GEF as an important outcome of the Rio Conference, but we also want to see it grow and evolve into a truly 21st century institution which is built on the strength of the civil society, democracy, and transparency; an institution that is financed on the basis of the use and misuse we make of the environment as global consumers; also an institution that can see sustainability as much from the eyes of the poor and the marginalized as from the eyes of those who have it all.

Learning to live with nature is not possible without learning to live with each other as human beings. The 21st century poses a very challenging task, but let me say that NGOs across the world sincerely join me in the hope that the GEF will become even stronger to meet this challenge.

We urge the participating governments in this Assembly to give GEF the visionary mandate it truly needs to meet the challenge. We also sincerely hope that the recommendations of the NGO Panel will be included in the final report of this august Assembly and our views will be seriously considered.

Plenary Reports

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Statement by Jarle Harstad

Senior Monitoring and Evaluation Coordinator,
Global Environment Facility

It's a privilege and a great pleasure to me to present to you the monitoring and evaluation function of the GEF, and particularly the main product of this year. That's the study of GEF's overall performance.

I'll say a few words about the monitoring and evaluation function of the GEF first before I come to the study.

Monitoring and evaluation was based on the implementing agencies' existing systems up to 1996 when a position was created in the Secretariat; monitoring and evaluation is a shared responsibility within the implementing agencies and the GEF Secretariat at the moment.

We have designed a framework for the monitoring and evaluation work which comprises the development of M&E policies, various systems, and methodologies. We are performing monitoring. That's an annual review of the total active portfolio. We are doing project reviews, implementation completion reviews, project evaluations, program and cross-cutting evaluations, and also overall performance studies—the one which will be presented in today's session.

It's important in the GEF to have a vigorous and comprehensive monitoring and evaluation program for several reasons. Particularly, we are working here in new areas where there is not a lot of experience, and we need to ascertain and find out better ways of achieving global environmental objectives. We need also to be innovative and to reap experience as we try out new modalities and new ways of planning and implementing projects.

We also need to share experience across a large number of organizations and with a large number of actors, whether in the implementing agencies, the Secretariat, in the countries, among NGOs, or other actors. And the main purpose of our work is, first and foremost, accountability to the countries and to the shareholders and to all interested parties; to let monitoring and evaluation be part of decisionmaking; and also, lastly, but not least, to share lessons and improve our work as we get experience.

The overall performance study was started in the beginning of 1997 at the request of the Council; this

was the first overriding and overall study of the restructured GEF. An independent evaluation of GEF's pilot phase was completed in 1993. The main audience for the study, in addition to the GEF Council, is the participants at this Assembly.

The terms of reference were made after a long process of consultation between the implementing agencies and the Convention Secretariats, the NGOs, the countries, and also Council members. It was early realized that since the majority of GEF projects were relatively new, with an average time under implementation of about three years, that it would be difficult to analyze and get good data on the impact on the global environment of our efforts. Instead, we chose to focus on how well GEF has been structured, institutionalized, and was poised for an effective performance as a financial mechanism for the Conventions.

The issues—for evaluation were, firstly, the provision of resources—GEF's role in catalyzing the provision and leveraging of resources for global environmental efforts.

A second set of issues was at the country level. GEF had been assigned the role of assisting developing countries' efforts to fulfill responsibilities under the two Rio Conventions, and it was important to us to see how well GEF was structured at the country level and to get more information on the sustainability of efforts, contribution by stakeholder groups, and other ways of assisting the countries.

A third set of issues was the extent to which effective cooperation mechanisms and procedures had been established among the GEF Secretariat, the implementing agencies, the Scientific and Technical Advisory Panel, the Convention Secretariat, and other cooperating partners.

The fourth set of issues was programming issues. To what extent had GEF been able to operationalize Convention guidance and Council decisions? We had a primary focus on the operational strategy and the operational programs and examined to what extent these documents and these guidelines were effective in addressing the criteria and the priorities for the GEF.

The fifth set of issues was product cycle issues: to what extent were systems in place for product preparation and development for project implementation, monitoring, and evaluation, including assessment of the implementing cost.

The last issue was to what extent had GEF followed up the recommendations of the independent evaluation that was done on the pilot phase.

All this will be addressed by the two speakers who will follow my introduction. We selected a study team with a team leader, Gareth Porter, and altogether, about 25 national and international consultants from all over—from Africa, Asia, Latin America, and also Eastern Europe. It was important to us that these people were deemed to be fully independent and could exercise a sound judgment without fear of favor and that they had sufficient and good insights into the various focal areas and had different scientific backgrounds.

The team used all available information, written material, interviews with all the key players, and, above all, visits to ten countries (Brazil, China, Egypt, India, Indonesia, Kenya, Mexico, Poland, Russian Federation, and Zimbabwe). In addition, local consultants had interviews with officials and stakeholders in Argentina, Costa Rica, Côte d'Ivoire, Jordan, Philippines, and Vietnam. And this created a vast amount of data which were analyzed during the autumn; the report was com-

pleted in the beginning of February this year.

Before we started the study, the Council encouraged me to appoint a Senior Advisory Panel to ensure that the study was done as a completely independent exercise and also to guide the study team. The eight members of the Senior Advisory Panel had varied backgrounds; Mr. Swaminathan is the Chairman of the Panel, and he will address this later today.

The follow-up of the evaluation was discussed by the Council yesterday, and it has been agreed that the GEF Secretariat, after discussions with implementing agencies and in consultation with the Secretariats of the Conventions in Rio and other actors, will present a paper with recommendations for follow-up of the evaluation at the October meeting of the Council.

We have asked more countries that were visited during the study to provide comments. We have received about 25 comments up to now, but we are still eager to have more comments from those countries, and also from other countries. And these can be sent to us at the address which you'll find on several publications or also can be sent to us on the Internet. We have a newsletter at the entrance where the Internet address is given, and we are very keen to receive comments and viewpoints from the audience here and, indeed, from every concerned party.

Statement by Gareth Porter

Team Leader, Study of GEF Overall Performance

It's a great honor to be invited as team leader and, on behalf of the study team, to address the first Assembly of the Global Environment Facility.

In the very brief time that I have, it's not going to be possible to give you any sense of the full range of issues that we studied, the findings that we made, and the recommendations that we provided in the study. So what I will do is to give you a very brief overview of the conclusions of the study, sort of our summing up, if you will, of a great mass of detail about a very large number of issues. And then I will provide a sort of brief overview of the team's findings and recommendations on a selected few issues which it seemed to me might be of greatest interest to this Assembly. Of course, my judgment on that is certainly subject to your approval or disapproval. If you have had a chance to look at the study, you may find that there are other issues that I

did not cover which would have been of greater interest to you. So I apologize in advance for the necessity of having to select from approximately 30 issues those that would be of greatest interest.

First, to the overview. Our overall conclusion at the end of the report is an attempt to bring together the various strands of the report and to come up with a final summing up that would give a sense of how we viewed the performance of the GEF since its inception, particularly, of course, during the GEF-1 period. In as many cases as possible, we tried to base our judgment of GEF performance by performance during GEF-1 and the pilot phase.

Now, obviously, it's only in certain instances that we could make that kind of comparison. But in our overall conclusion, the team highlighted those areas where it felt there had been the most significant achievements of the GEF. Those included, first of all,

rapidly creating new institutional arrangements, developing the operational strategy and operational programs, and approaches to programming in the four focal areas which we felt were adequate. With, I think, one exception, we did not make specific recommendations regarding programming. And, finally, the advancement of stakeholder participation in GEF projects, which we also felt was a significant accomplishment of the GEF.

The team also found that the GEF had been relatively successful in leveraging cofinancing for GEF projects. That was an area which we judged a success and that it had some positive impacts on policies and programs in the recipient countries through its projects, although we found that it was impossible to provide any kind of quantitative measure of this success—to say that a particular percentage of GEF projects, in fact, have a positive impact on policies and programs in the recipient countries. So this was one of those areas where it had to be a very impressionistic and qualitative judgment of success.

On the other hand, in its summing up, the team found that one of the areas in which the GEF had not been as successful and where we felt that much more needed to be done was in the area of mainstreaming the global environment and the implementing agencies. There were several other areas which we found also needed more work, including the strengthening of the focal point system in recipient countries, specifically the operational focal points; improving the process of calculating incremental costs; better planning for the financial sustainability of GEF projects; shortening the length of the project cycles; and raising awareness of the GEF and of global environmental issues in the recipient countries.

Now, again, time does not permit a complete review of all the issues that we analyzed, and so I will go briefly one by one through seven of the issues that we made findings about and provided recommendations for.

The first is the issue of the project cycle. The team found that there have been some improvements in the project cycle by implementing agencies. Specifically, the World Bank and UNDP have taken steps to shorten their project cycles—by combining the preparation of the project brief and the final project document in the case of the UNDP, and by moving the submission of project briefs to the GEF upstream at an earlier stage of development of the project proposal in the case of the World Bank.

Although the team recommended that the GEF Secretariat accept a range of cost estimates in project briefs rather than only a single cost estimate at that stage of development of the project in order to encourage the World Bank to maintain a shorter project cycle, the team also found that the longest stage

of the project cycle is the stage of project preparation by the implementing agencies and the recipient country working together. And, of course, it's also clear that the recipient countries are the primary force in project preparation in that they have primary responsibility for project preparation.

So we didn't specifically come forward with a recommendation for how the longest part of the project cycle could be shortened. We felt that that was a larger issue which we were not able to provide any specific recommendation on.

The second issue which I think might be of particular interest to the Assembly is that of incremental cost calculations. The team looked at this issue from two distinct angles: first, whether the process of calculating incremental costs has been sufficiently understood, whether the concept is understood, whether the methodologies have been understood sufficiently by recipient countries to permit them to participate actively in the process; and, secondly, how effective the calculation of incremental costs has been as a programming tool for the GEF.

With regard to the first of these two aspects of the problem, the study team found that although some agencies of some recipient countries have participated actively in the process of incremental cost calculation, for most of the relevant agencies in most countries, incremental costs are assumed to be calculated by the implementing agency exclusively. In other words, the recipient countries have not been actively involved at all in that process.

The team recommended, therefore, that a working group representing the GEF Secretariat and the implementing agencies should, in consultation with Convention Secretariats, develop simpler, more straightforward guidance and communication for recipient country officials, and also a strategy for increasing their involvement in the process of estimating those costs—a strategy which would presumably involve training of some sort for recipient countries in being able to participate in the process of calculation of incremental costs.

With regard to the second issue—that is, whether the incremental cost calculations have been an effective means of programming for the GEF—the team found that there had been a noticeable improvement in the incremental cost sections of project briefs submitted to the GEF between 1995–96 on the one hand and 1997 on the other. And this judgment was based on an examination of the project documents which were submitted to the GEF during those two time periods; the criterion that we used specifically to examine that question was the degree of transparency and detail in the discussion of incremental costs in the project briefs.

So the team did find that there had been significant improvement, although, of course, that did not mean

that there were not still a number of cases, a number of instances, in which project briefs do not deal adequately with incremental costs in the sense that there are flaws, or may be flaws in the methodology.

The team also looked at another aspect of this question, which was whether there had been any pattern, any general pattern, of inflation of incremental costs in the process of the calculation by the implementing agencies and, to the extent that it did occur, by the recipient countries.

The team failed to find any evidence that there was a systematic inflation of incremental costs in which implementing agencies and recipient countries cooperated to get more out of the GEF than was objectively warranted for the project. We had encountered some suspicion that this might be the case, and we certainly did not find evidence to that effect.

With regard to the focal point system, the study team examined the degree to which the GEF has been able to establish a focal point system in recipient countries that coordinates the activities of government agencies in regard to GEF projects and also disseminates information sufficiently to relevant stakeholders. And here the team found that although most operational focal points have been able to do some coordination among the relevant agencies of their government, in some cases they have not been able to carry out the coordination function adequately, either because mechanisms for coordination are not yet firmly and permanently established or because, in some instances, of institutional weaknesses of the focal point.

Particularly, we found that this was a problem where the focal point was an environmental ministry or agency which may be weaker politically than other agencies that it is asked to coordinate with. We found that to be a systematic problem.

The team also found that information on the GEF is often not getting out to all relevant stakeholders. This was a particular problem that needs to be addressed.

The team recommended, therefore, that the GEF Secretariat and implementing agencies should broaden the existing project development workshops by involving the focal points as much as possible in planning and executing those workshops and by focusing more specifically on coordination and information dissemination functions of the operational focal points.

The next issue that I want to briefly address is the financial sustainability of the projects. The issue here was whether the project documents—the plans, and proposals for projects—adequately dealt with the sustainability of those projects after the funding from the GEF was completed.

Based on its examinations of project documents for 17 projects in the 10 countries visited by the

team, the team found that serious financial planning for post-GEF sustainability, financial sustainability, appears in less than half the proposals. We found that there was a serious problem here, that project proposals still do not, for the most part, deal accurately with the problem of financial sustainability beyond GEF funding.

We found that biodiversity projects are much more likely to encounter serious problems of financial sustainability than climate projects, for the primary reason that the climate projects are more often able to draw on private sector financing and that that becomes then part of the planning for financial sustainability.

The team recommended that the GEF Secretariat and implementing agencies should require that project proposals contain a more thorough assessment of options for achieving financial sustainability than has been required thus far.

With regard to the issue of new and additional resources, the team was asked to look into the question of whether or not the GEF's resources are truly new and additional. The team found, however, that the concept of new and additional resources has not been defined by the international bodies that have agreed on the concept in a way that allowed the team to make such a judgment—that is, a judgment about whether the GEF's funding is, in fact, new and additional to existing funding for development in any fashion.

The team recommended that the GEF Council address the need for a clearer definition of the concept of new and additional resources, a definition that would include the indicators that should be used to measure additionality—for example, what specific kinds of spending should be included in the concept of new and additional. It was not clear to us what we should consider to be included within the scope of that concept; and, also, what should be the baseline for comparing the current spending with a base year, if that is, in fact, part of the basis for the definition.

The team also recommended as a way of advancing new and additional spending for the GEF and for the global environment that donor countries should seriously consider separating budget lines for the GEF from budget lines for development cooperation in their national budgets.

Another issue that the team examined was the question of leveraging of additional financing for GEF projects from non-GEF sources. The team looked into the degree of leveraging of resources that has taken place in conjunction with GEF projects, recognizing that the GEF represents a relatively small fund and that, in order to realize its effectiveness to the maximum, it must leverage funds from other institutions for the same and similar objectives.

The team found that a significant additional amount of money has been leveraged, and as I said earlier, this was regarded as one of the significant achievements of the GEF. We found that this leveraging had taken place particularly through World Bank-associated projects. These have been an effective mechanism for leveraging additional financing.

The team, however, could not provide a quantitative estimate of the precise amount of leveraging that had been achieved by the GEF. The team found that one problem in conjunction with this issue of leveraging is that the GEF has not produced an operational definition of financial leveraging that allows it to distinguish financing that is genuinely leveraged from financing that is not.

The team itself put together a definition—a more strict definition, more rigorous definition—of financial leveraging, which defined that term as financing for activities that benefit the global environment and which would not have been spent for such purposes in the absence of the GEF project. And with this more rigorous definition, the team found that actual financial leveraging was significantly less than what has been claimed—that is, what has been claimed in specific project documents and in overall totals that have been provided about GEF cofinancing with the implicit or explicit claim that this represented financial leverage.

This finding was based on an analysis of a sample of 18 GEF projects approved by the GEF during calendar year 1997 on which project documents were available. It was based on that sample that we judged that there has been significantly less financial leveraging than was claimed in documents.

The team recommended, therefore, that the GEF adopt a more rigorous definition for leveraging and that it apply that more rigorous definition in its own publications and that it require that implementing agencies also apply that definition in their documents about cofinancing for the GEF.

The final issue that I want to discuss is mainstreaming the global environment by the implementing agencies in their work.

The team was confronted here with a very complicated problem of methodology. The first issue was whether it would merely look at cofinancing as the measure of mainstreaming by the implementing agencies or whether it would define mainstreaming in a much more detailed, multifaceted way. The team felt that it would not really be doing a thorough job of analyzing this problem if it did not attempt to construct a more detailed, multifaceted definition of mainstreaming.

The team decided that it would select a set of criteria that were appropriate for each of the three implementing agencies. We found that we could not apply

the same criteria to all three implementing agencies because they were so different in the resources they had available and in other organizational attributes, institutional attributes, which bore on what criteria were relevant in judging their success in mainstreaming the global environment in their work. The team selected the following criteria for each of the three implementing agencies:

For the World Bank, cofinancing of GEF projects, lending for global environmental projects in their regular portfolio, staff incentives for working on the GEF, the integration of global environment into sectoral lending strategies, and, finally, programming on the basis of the global environment. Some of these criteria lent themselves to a quantitative analysis, and we tried to provide that to the extent that we could; others, of course, required a more qualitative assessment of the progress made or the success achieved in mainstreaming according to the particular criteria.

With regard to the UNDP, the team selected the following four criteria: first, cofinancing of associated projects; second, funding for non-GEF projects that provide global environmental benefits; third, integration of GEF and global environment into country cooperation frameworks; and, fourth, staff incentives for working on GEF.

Finally, with regard to UNEP, we found that most of the criteria that we had applied to the other two implementing agencies were not really appropriate because of resource constraints and because UNEP is already devoted in its central mandate to global environment exclusively. The team, therefore, decided to focus on two criteria for mainstreaming: first, staff incentives for work on GEF projects; and, second, adherence to the principle that GEF projects should be in addition to regular implementing agency programming.

Now, I do not have time, unfortunately, to go into our findings under each of these criteria for each of the implementing agencies. I invite you to come to the workshop tomorrow when we'll have more time to go into depth on this subject. But let me sum up our findings by saying that we found that in none of the three implementing agencies was the mainstreaming of the global environment adequate, according to the criteria that we had used and the findings that we made looking at all of those criteria. Now, that did not mean that there were not some areas where one or the other of the implementing agencies had not made progress, which we recognized, but that the overall pattern we found was that they had not made adequate progress in mainstreaming the global environment.

This should give you a very broad overview and selected look at some of the issues we analyzed and made judgments on with regard to the success of the GEF.

Statement by M.S. Swaminathan

Chair, Senior Advisory Panel, Study of GEF Overall Performance

On behalf of the Senior Advisory Panel, I wish to make first two general comments.

First, we want to pay tribute to Mr. Gareth Porter and his team for the great dedication and attention to detail with which they made this study. One of the terms of reference to our group was whether the study is sufficiently independent. We came without reservation to conclude, yes, it was completely independent.

That leads me to make a second tribute to Mr. Jarle Harstad and his group in GEF. They are the ones who commissioned the study, and I must pay tribute to them, that they were totally open, transparent. In fact, large numbers of nongovernmental organizations were consulted. It was on the Web. Comments were received at every stage from the time the terms of reference were developed to the time the first report was presented last October at the workshop on the occasion of the GEF Council meeting.

The second comment I wish to make on behalf of the members of the Senior Advisory Panel is—to reiterate a point made this morning—that the world needs GEF, the world needs a multilateral funding mechanism for global ecological security. I myself in the committee meeting compared it to the world food program for food security, both cash and in-kind. Similarly, we do need a multilateral funding mechanism for global ecological security, and we feel GEF is fulfilling that purpose, and we hope with this Assembly this role will get further strengthened. With the comments which were made this morning, we're very encouraged.

I would now like to make four specific comments in relation to the report. You will find also our brief report in the printed pages 102 to 105 of this report, so I am not going to go into them.

But the first point which troubled us was also where the report drew attention, namely, the long-term sustainability of GEF-supported projects. The very concept of incremental cost implies that the projects which are being found fit for GEF support have not only local or national significance, but a little larger than that, global, regional significance.

If we accept the fact that incremental cost is because of the need to identify components of the project which are of global significance, then it is obvious that there has to be a long-term funding mechanism for them. Is there life beyond GEF for these projects?

In fact, as Mr. Porter rightly mentioned, in the case of many biodiversity projects, many of them had been approved on the basis that they are hot-spot locations, they are endangered habitats, they are mega-biodiversity areas. Then you find after a few years after GEF that the money dries up.

This is why we would like to endorse the point made by the study team that every country should develop a strategy for sustainability. That means we suggested some kind of an environmental consultative group within the country, an environmental consultative group consisting of multilateral, bilateral donors, philanthropic organizations within the country and globally. There may be business houses which are interested in supporting environmental causes. So that there is a coordinated strategy within the country putting money for priorities.

I think one point, again, made by Dr. Mohamed El-Ashry and every speaker this morning is that national priorities and global priorities must overlap in many respects; and, therefore, we would like you to give your consideration to the question of every country developing a methodology by which there could be an environmental consultative group, a large broad-based headquarter group, which could ensure sustainability of projects, sustainable funding, and financial leveraging of our additional funds and so on.

In other words, then, the project posted for GEF should have a withdrawal strategy in terms of Global Environment Facility funding, so that the project itself does not collapse.

The second point I want to draw attention to is streamlining of procedures. Already mention has been made of streamlining procedures. When you go through the report, you will find there are a number of recommendations. For example, how do we minimize transaction costs? We are putting money in the name of the environment. How much of it really will go to the environmental protection? How much really goes for servicing and various other activities? How to minimize transaction cost?

Because of the growing disparity between national salaries and international salaries, we have recommended that, by and large, wherever this is possible, national consultants, national experts must be utilized, so that one can optimize the benefits from the available funds.

The other is the question of an incremental cost calculation. We endorse the recommendation that there should be a working group set up by GEF to go into this question more carefully and to develop a mechanism which is transparent, which is understandable, and which also, in my view, tries to highlight the issue to the global community. The global significance of this project is very great. The incremental cost is really a warning bell. This money is needed in the larger interest of humankind.

The third point we have made in our report is to raise the ceiling of small and medium-sized grants. Mention was made this morning that over 1,000 projects have done very well. Most of them have done very well under the small grant projects. They are fairly easy to operate and involve a broad spectrum of stakeholders. Many of them are members of the civil society or local bodies and so on; therefore, you have a much broader participation in the whole GEF exercise.

We have recommended that the GEF Council might examine the question on the basis of the experience gained, without losing the rigor of examination of the projects, of raising the ceiling to the medium-sized and small-sized projects. This might take care of a very large number of urgent requirements.

I talked about sustainability. I talked about streamlining. The third question is strengthening partnerships and strategy. This is going to be very important. Mention has been made by almost every speaker this morning of the need for enlarged partnership, partnership with Convention Secretariats, partnership with the academic and scientific community, the major science academies of the world, because many projects we are considering in this area require a lot of scientific underpinning; therefore, the relationship with science and technological institutions is important.

We require large participation of members of the civil society of nongovernmental organizations. We require alliances with the media and with the business community.

In the case of business and industry, this is an area where, as you know only too well, there are divergent viewpoints: whether business helps the environment, or, in many cases, creates problems. Therefore, we suggested that private sector involvement in the whole Global Environment Facility might be discussed very critically at a workshop.

We had proposed that the Business Council for Sustainable Development—and this morning, IFC was also mentioned. There could be a workshop in which some ground rules and guidelines could be developed.

Lastly, we call it the information age, the role of the media. Education, social mobilization, and peo-

ple's participation are essential. Regulation alone will not help because now we know purely regulated mechanisms are important, but on the other hand, they alone are not adequate. This is why larger participation of the people is needed—and the best way today is modern information technology and the mass media, electronic media and the printed media.

In order to provide credible information to the media, we have recommended that media resource centers be set up, maybe in some different languages, so that credible information—the lessons to be learned from different projects—be made available.

That brings me to a conclusion. I chair the governing board of a very large forestry project in a very small country, Guyana, the old British Guyana. That government had the wisdom, 6 years ago, to provide to the commonwealth nearly a million acres or 400,000 hectares of prime rainforest.

The question asked was: everyone comes to our country. We have got the largest per capita debt. Eighty percent of our income goes to debt servicing. People say you don't sell the trees, you don't cut the trees, manage the sustainability. What is meant by sustainable development? It is easy to put the prefix "sustainable," but what do you do in practice? Therefore, the conversion of the know-how and "to do how" at the field level—this particular project was started with GEF support. The project is so interesting.

We were exceedingly worried about sustainability. I am happy to say at the meeting held in Brussels earlier this year, thanks also to the large support from the Government of the United Kingdom, over \$8.5 million was pledged. It started with \$3.5 million of GEF money. This is the kind of leveraging which can be done, but it required a lot of understanding, education, awareness generation: that this is a project not just important for Guyana, but important for the global community in terms of understanding how do you manage the transition from conservation purely by regulation to sustainable management, which implies conservation plus sustainable and equitable use.

This transition is what we want to bring about in biodiversity, the transition from purely regulatory conservation to sustainable management. That means conservation plus sustainable and equitable use.

It has been a privilege to be associated with this exercise. I hope at this general Assembly, tomorrow's workshops, some of the points contained in this report will be discussed a bit more because I think these provide some guidelines for the GEF, at least for the first decade of the new millennium.

Statement by Mohamed T. El-Ashry

Chief Executive Officer and Chairman, Global Environment Facility

It is my privilege to report to the Assembly this afternoon on the subject of the policies, operations, and future development of the Global Environment Facility. My remarks draw upon the evaluation reports which are in your hands as well as my own experience over these past few years. You already have my written report and, over the next few minutes, I will only highlight key accomplishments, challenges, and opportunities.

Thomas Jefferson, in 1816, said that “laws and institutions must go hand in hand with the progress of the human mind. As [the human mind] becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times.”

These words refer, in the first instance, to the new democratic society he helped to create. But they are equally true for our new entity, with a global environmental mission never before attempted.

Over the past seven years, the need for the GEF has become increasingly clear. The urgency for action to address the issues of biodiversity loss, climate change, international waters, and ozone depletion within the framework of sustainable development is greater now than ever before. At the same time, and despite growing affluence for many, there are enormous human problems of widespread poverty and suffering, and a pattern of economic growth that is worsening the disparity.

The good news is that our understanding of the solutions to these problems has advanced. How do we then put this wisdom to work for people and the environment?

The GEF was piloted in 1991 to earmark multilateral funds for global environmental benefits in the context of sustainable development projects in developing countries and economies in transition. We help to make that critical link between local and global environmental challenges and between national and international resources. That is because we recognize that local, national, and global environmental problems have the same root causes. So, while our mandate and objectives are global, our actions are local and national.

When the GEF was restructured in 1994, we lost no time laying the foundation for operations. Within 18 months, the GEF Council ensured that the walls were up, the roof was on, and we were open for busi-

ness. And like any new enterprise a few years down the road, we are now learning from experience, improving our performance, expanding our services, and building new partnerships designed to accelerate the transition to sustainable development.

Our collective strategy builds on the positive ties between development and the environment, while doing all we can to break the negative bonds between economic growth and environmental degradation. Instead of “business as usual,” we pursue alternative scenarios with positive outcomes for all by incorporating environmental values into all our priorities and actions.

The Instrument for the Establishment of the Restructured GEF calls on us to be cost-effective as we tackle global environmental issues, to fund country-driven projects and programs based on national priorities, and to maintain sufficient flexibility to respond to changing circumstances in order to achieve its purposes. That we have done, as you heard this morning from the Convention Secretariats.

The GEF has evolved to become a more broadly representative, transparent, participatory, effective, and strategic organization. All we need is to look around the room and consider the membership of 164 countries today as compared to 29 during the pilot phase.

Let me now give some examples of how we operationalized what some of you helped negotiate in 1994:

The GEF has developed an operational strategy and ten, soon to be twelve, operational programs to focus GEF activities and guide project design and implementation in our four focal areas. The strategy and programs respond to the guidance of the COPs of the two Conventions we serve—the Biodiversity and Climate Change Conventions.

We’ve strengthened GEF’s cross-cutting initiatives combating land degradation, specifically deforestation and desertification.

We’ve invested \$2 billion in 119 countries to support over 500 enabling activities and full-scale projects that are providing the scaffolding for sustainable development now and in the future. Over the coming months, with the GEF’s help, many more developing countries will complete national plans and communications called for in the Convention on Biological Diversity and the UN Framework Convention on Climate Change. You have already heard the Executive Secretaries of the two Conventions report on that topic

this morning. These are important tools for integrating climate and biodiversity concerns into country thinking and planning and for identifying priorities which can form the basis for our future funding and for formulating country assistance or cooperation strategies, as well as longer term GEF support.

We've developed principles for financing targeted research to serve as a basis for considering GEF funding of goal-oriented research that supports the GEF operational strategy. To be even more cost-effective in its own planning and assistance, the GEF has improved budgeting and business planning procedures, particularly with regard to the out-years. We've established a high-quality monitoring and evaluation program with a number of important outputs already to its credit. We've pioneered trust funds to provide long-term support to GEF objectives.

And non-governmental organizations (NGOs) play a key role in the design and implementation of projects and in the development of policy frameworks at the local, national, and international levels. The GEF is the one and only multilateral financial entity which not only permits NGO representatives in Council meetings but actively seeks their input in advance. Why? NGOs put the global environment on the map, and they continue to fuel international and community-based efforts toward sustainable development. About one-third of project ideas submitted by governments originate with non-governmental groups, and a significant number of projects involve NGOs in design, planning, and/or implementation.

Equally important to our success are those who work in business, science, and technology. Energy policy and investment in global environment-friendly technologies are key pillars for any climate change strategy, and it is the private sector that is the key player in the technology transfer arena. In the GEF, we are keen on entering into bilateral and even trilateral partnerships where our funds augment, not displace, private capital and where our interventions facilitate and catalyze demonstration projects with significant replication potential. In more than 150 catalytic projects, the GEF is promoting state-of-the-art technology: photovoltaics, biomass gasifiers, wind power, geothermal energy, efficient industrial boilers, and improved lighting systems.

This technology benefits people in poor rural areas as well as better off urban populations, giving them a stake in development. And at the GEF, technology is more than hardware. It is also taking the right approach for the right results. In the case of biodiversity conservation, we have supported two complementary approaches, both of which focus on engaging rural people as efficient resource managers.

More recently, the GEF has learned the necessity of

mounting integrated ecological development programs across national boundaries in a way that brings public and private, national and local, forces together to pursue sustainable development.

These are promising developments of which we can all be proud. However, the threats to and from biodiversity loss, climate change, degradation of international waters, ozone depletion, and land degradation continue to grow. The GEF new replenishment is a major accomplishment, and we are extremely grateful for your support. However, we must also recognize that our financial resources are modest when compared with the challenges. Co-financing in amounts far beyond the current \$5 billion total will be required in the new century ahead. So will a quantum leap in communication and an ever-widening circle of participation.

While celebrating the achievements of the GEF, we have a responsibility to recognize and respond to the challenges ahead if the GEF is to continue to be in the forefront of addressing global environmental issues. The evolutionary process the GEF took on board in the early 1990s must, in the new century, encompass all governments, development institutions, NGOs, and business, too. By strengthening the linkages between and among all these partners, we can ensure that the global environment will remain a top priority long after discrete projects end.

Generating interest in and demand for participation in our work is absolutely necessary. But the promise will be false unless we speed up the process by which good ideas get translated into results for people on the ground. And so the GEF must continue to streamline its project cycle with a view to making project preparation simpler and more nationally driven, without abandoning high-quality standards.

Our first priority in this respect are the recipient countries. The core notion of country-drivenness depends upon a dynamic system of focal points and other key contacts, communicating information about the GEF, channeling assistance, picking up feedback, and maintaining the dialogue we need if we are to truly be a learning as well as doing organization. In order to strengthen country ownership, country-level coordination, information dissemination, and public awareness-raising activities, the GEF must review and better define the intended results and impacts of country-level involvement, including capacity building, training, outreach, and information sharing.

Businesses, in particular, must be shown that we bring something unique to the table and that, together, we can produce progress for the economy as well as for the global environment. To do this, the GEF must explore new opportunities for private sector as well as private-public partnerships and for examining the

obstacles that might exist to increasing support from the private sector.

Much of our work has depended on good science and outstanding scientists to date, but the GEF has a long way to go to fully tap the potential of this partnership. In the future, the GEF must build strong relationships and networks with the global scientific community, and especially involve national scientists in GEF work.

We have made a good start at monitoring and evaluation. This system is key, not just to measuring progress and results, but also to achieving greater project quality and effectiveness. To make it even more robust, the GEF must build upon lessons drawn from both success and failure. This will help our efforts to be a part of an expanding culture learning and teaching and practicing sustainable development.

The concept of incremental costs, while of key significance for the GEF and the Conventions, continues to be difficult to apply in practice, and we must take a fresh look at its definition and pragmatic applications.

As you heard this morning from the heads of the implementing agencies, they have begun efforts to integrate global environmental objectives into their own work. But a lot more is needed if the aspirations

for sustainable development and for the effective implementation of Agenda 21 and the global environmental Conventions are to be realized.

The GEF has a story to tell. We've put the GEF on the map in terms of operational strategies, programs, and projects. Now it's time we made an impression in terms of the public's understanding of our role and mission. For it must be their mission, too.

Earlier, you heard reports on the independent evaluations of the GEF and their findings and recommendations. In its meeting here yesterday, the GEF Council requested that the Secretariat, in cooperation with the implementing agencies, draw up an agenda and action plan responding to the findings and recommendations of the evaluation studies. Over the next seven months, we will be bringing GEF operations up to speed, so to speak, with lessons learned in the past and with opportunities waiting just ahead.

Let me close by saying that, as we approach and enter the new millennium, the GEF stands ready to work with all of you, our 164 shareholders, as we take our collective enterprise to a new plateau on behalf of global environmental sustainability. I, and the implementing agencies of the GEF, look forward to hearing your feedback and ideas over the next two days.

Statements by Representatives



Divider page photo: Earth and sun (U.S. National Aeronautics and Space Administration)

Statement of Albania

Tatiana Kotobelli

Director, Committee of Environmental Protection,
Ministry of Health and Environment

The political, economic and social changes in Albania during the last years, the orientation toward market economy, the extension of private activities, and the increase of foreign investments put forward the necessity that environmental protection be treated as one of the top priority issues and their solution be reviewed consistent with the experience of developed countries and international standards by applying the important principle of sustainable development.

The Committee of Environmental Protection, within the structure of the Ministry of Health and Environment, which also is the central body responsible for environmental issues in the Republic of Albania, is showing a serious commitment in its efforts for solving old and present environmental problems, and has succeeded in identifying environmental priorities and building the necessary institutional framework and a completed legal framework.

Although Albania is a small country, the variety of environmental problems is as diverse as that of other, larger countries. That is why the mitigation or elimination of the consequences of damages and pollution of the environment by the previous regime and adverse impacts of economic and social activities require a concrete and continuous commitment.

These commitments are addressed in the National Environmental Action Plan prepared on the basis of the National Environmental Strategy, which aims at the integration of environmental protection in the development programs of economic and social sectors. This action plan constitutes a detailed analysis of this strategy and has defined tasks for ministries and institutions whose activity has an impact on the environment and foresees organizational, administrative, legal and technical measures such as establishment of the legal framework, institutional strengthening, prevention of erosion and rehabilitation of soil, reforestation, avoidance of industrial and urban pollution, good management of natural resources, investment for environment, information and public awareness.

The policy of isolation followed by the ex-Communist regime deprived Albania of the international cooperation necessary for environmental protection.

During recent years, new steps forward were taken in this field, and, at the same time, the benefits of this cooperation were felt.

Also, Albania is a contracting party in several important global, regional, and international conventions and protocols and their amendments, such as the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the Barcelona Convention on Protection of the Mediterranean Sea and its five Protocols, the Convention on Environmental Impact Assessment in Transboundary Context, and the Convention on Industrial Accidents in Transboundary Context.

Also we are making all the necessary arrangements for ratification of the Vienna Convention and Montreal Protocol for the Protection of Ozone Layer, the Convention on Desertification, and the Convention on Air Pollution in Transboundary Context.

At present, we are working in order to implement all the commitments that result from being a party to such Conventions.

Thus, Albania has been a member of GEF since 1994 and of many environmental international organizations as well. As a financial mechanism providing grants and concessional funds to developing countries for projects and activities to protect the world's environment, GEF has been a great and important help for Albania. In this context, the Government of Albania very much appreciates GEF assistance in providing financial support for implementation of different projects.

The GEF/World Bank (WB) regional project on Lake Ohrid Conservation (US\$4 million) since this year has been coordinated by the Environmental Protection Committee of Albania. The objective is to develop a sound and legal basis for joint management of Lake Ohrid and protection by governments and peoples of neighboring countries such as Albania and the Federated Republic of Macedonia; and also to promote cost-effective solutions to transboundary natural resources management and pollution problems.

The GEF/WB project: Strategy and Action Plan for Protection of Biodiversity in Albania (US\$96,000) is in the first steps of implementation.

The project will consist of field work and research for better assessment of biodiversity values of the site, preparing the management plan for the whole area, and training staff from local and central levels in coastal management, etc.

Albania, as a developing country and a non-Annex I party to the United Nations Framework Convention on Climate Change since 1992, has shown great interest in these treaty commitments.

We appreciate the Kyoto agreement; however, it is not designed to introduce any new commitment for developing country parties after the year 2000, taking into account the principle of common but differentiated responsibilities between developed and developing country parties.

In order to fulfill the commitments under this Convention, despite the fact that we do not have potential sources of greenhouse gases, a project on Enabling Albania for Preparing the First National Communication in Response to Its Commitments to the United Nations Framework Convention on Climate Changes has already been proposed by the Committee of Environmental Protection; endorsed

by the Albanian Government; and approved for funding by GEF, which has allocated a budget of US\$278,000. We very much appreciate the GEF and UNDP assistance in this process.

Finalization of this study will provide a clear view of the general situation in Albania, serve as a guide for future actions in the field of climate protection, and fulfill one of the commitments of Albania to the Convention.

Regarding the Agenda to the first GEF Assembly, I find the issues proposed very helpful and important.

1. I especially find the Report on Policies, Actions and Perspectives of GEF Development very oriented and important. I very much appreciate the excellent work done in its preparation.
2. I really support the idea of improving the communication strategy of GEF in order to know better the GEF and its mission and criteria, and how to access GEF resources. This strategy must be better targeted.
3. In addition, I support the proposal of making the GEF basic documentation available in national languages.

Statement of Algeria

Djamel Echrik

Inspector General for the Environment,
Interior Ministry

La délégation algérienne saisit cette heureuse opportunité pour remercier le Gouvernement et le peuple amis de l'Inde pour son hospitalité; elle saisit également cette opportunité pour adresser à Mr le Directeur Général et Président du Fonds pour l'Environnement Mondial et tous les organisateurs pour les efforts consentis pour assurer le succès des travaux de la première Assemblée Générale du FEM qui se tient dans cette magnifique capitale qu'est New Delhi.

Cette Assemblée constitue un test révélateur de la détermination de toutes les parties à concrétiser les engagements et déclarations officielles en relation avec les principes de la responsabilité collective mais différenciée des Etats, quant aux atteintes à l'environnement.

En effet, la protection de l'environnement recon- nue aujourd'hui, et à juste titre, comme étant l'un des

problèmes socio-économique et politique majeur à l'échelle mondiale, conditionne le développement global, solidaire et durable de l'ensemble de nos pays respectifs et l'avenir à terme de plusieurs centaines de millions de personnes.

A ce titre et alors que les pays en développement s'appliquent à préparer leur stratégie et plans nationaux de mise en oeuvre des' différentes conventions et engagements internationaux y afférents, les pays les plus nantis et industrialisés sont interpellés quant au respect de leurs engagements relatifs aux renouvellement des ressources du Fonds ainsi qu'au transfert effectif des technologies écologiquement rationnelles et adaptées.

Aussi, toute action internationale et/ou régionale doit intégrer les responsabilités communes et différenciées des Etats, leur capacités respectives et leurs spécificités économiques et sociales.

Toute démarche doit être empreinte d'une approche rigoureuse et s'appuyer sur une contribution plus significative des pays les plus développés et les plus riches, en adéquation avec le droit légitime au développement et les besoins prioritaires en matière de croissance économique durable des pays moins développés et/ou pauvres.

L'Algérie a, depuis toujours, honoré ses engagements, notamment, par la ratification des conventions internationales, particulièrement celles liées au FEM et par la mise en œuvre des instruments juridiques, institutionnels et économiques.

Aussi, elle insiste pour exprimer sa préoccupation devant la tournure que prennent les délibérations durant certaines rencontres internationales tendant à diluer les responsabilités historiques et transférer le fardeau vers les maillons les plus faibles de la chaîne des Nations confrontées à des contraintes et aspirations fondamentales liées à leur développement socioéconomique.

En raison des espoirs suscités depuis sa création, le FEM et particulièrement à travers ses trois agences d'exécution se doit de répondre à l'attente légitime

placée en ce mécanisme novateur, et de se rapprocher mieux et davantage de ceux qu'il est censé aider et assister.

Par ailleurs, L'Algérie en tant que pays bénéficiaire du FEM et ayant ratifié la convention sur la lutte contre la désertification, réitère sa position vis-à-vis de cette question essentielle qui touche notamment des pays démunis et en difficultés du continent africain, pour sa reconnaissance en tant qu'activité spécifique au sein du FEM.

Désireuse de participer utilement à l'enrichissement du document principal soumis à la première assemblée, à savoir le projet de règlement intérieur et consciente de l'importance de ce cadre juridique quant au bon fonctionnement de l'organe souverain du FEM, en l'occurrence l'Assemblée Générale, L'Algérie, après examen dudit projet formule en annexe quelques observations et propositions à cet effet.

La délégation algérienne souhaite que les résultats de cette première assemblée générale soient en adéquation avec notre communauté de destin et à la hauteur des enjeux et défis planétaires que posent les problèmes relatifs à la protection de l'environnement.

Statement of Argentina

Gerardo Biritos

Ambassador to India

En primer termino, deseo expresar el reconocimiento de mi gobierno por la amable hospitalidad extendida por el gobierno y pueblo de la India a mi delegación y al resto de los participantes en esta asamblea.

Confiamos que la invitación cursada por la secretaria del Fondo para el Medio Ambiente Mundial permitira arribar a conclusiones de importancia para el tratamiento de las principales cuestiones ambientales que afectan a nuestro planeta.

La humanidad se enfrenta a un importante desafio, que se traduce en el esfuerzo de los países por armonizar políticas orientadas a promover el desarrollo económico y social, con aquellas que apuntan a la conservación de los recursos naturales y a la solución de los problemas ambientales. En otras palabras, este desafio tiene como objetivo alcanzar el desarrollo sustentable a nivel nacional.

El Gobierno Argentino ha participado activamente en los procesos de negociación que condujeron a la

formación del Fondo para el Medio Ambiente Mundial y su posterior reestructuración en 1994. En la presente ocasión, deseo renovar el compromiso de mi gobierno tendiente a un fortalecimiento de todas las actividades del fondo, en el convencimiento de su rol fundamental para que los países en desarrollo esten mejor capacitados a hacer frente a ese desafio.

Las evaluaciones efectuadas tanto a nivel internacional como en nuestro propio ambito nacional, permiten tener una clara idea respecto de lo que el fondo ha sido hasta el presente y lo que debe ser su futuro funcionamiento.

En esta materia, créemos que la estrategia operacional en las distintas áreas focales del fondo, basada en las políticas y los criterios de prioridad y elegibilidad adoptados, debiera orientarse hacia el fiel cumplimiento de los objetivos propuestos para este mecanismo financiero de cooperación internacional.

La Argentina, no obstante ser un país recipiente, integra además el grupo de países donantes del fon-

do. Dicha participación es una pauta de la importancia que le asigna mi país a la labor de esta institución.

En función de ello, quisiera destacar brevemente las actividades que se han realizado en mi país, vinculadas a las cuatro áreas focales del fondo:

- Se encuentran en ejecución diversos proyectos de diferentes alcances.

- Participamos en proyectos tanto regionales como globales.

- En la preparación y ejecución de dichos proyectos intervienen las tres agencias de implementación del fondo.

- Se han realizado dos seminarios de difusión de las actividades del fondo en 1995 y 1998, habiéndose publicado sus conclusiones.

- Los proyectos aprobados cuentan como contrapartes a organismos del estado, organizaciones no gubernamentales y del sector privado.

La ejecución de proyectos del fondo ha permitido la preparación de la primera "comunicación nacional" para la Convención Sobre Cambio Climático y la Estrategia Nacional Sobre Biodiversidad.

En el área de cambio climático, la Argentina considera que el fondo debería intensificar sus actividades, dando prioridad a aquellos proyectos derivados de las estrategias nacionales para la reducción de emisiones de gases de efecto invernadero, energía, transporte, etc.

Sin embargo, para conocer mejor las particularidades de este fenómeno global, sus consecuencias y los procesos de adaptación ante el cambio climático, el fondo también debería atender las necesidades de financiamiento de las actividades de investigación científica.

Mi gobierno comparte la misma preocupación en cuanto a la investigación científica vinculada al fenómeno del agotamiento de la capa de ozono. La Argentina, junto con Chile, se encuentra directamente afectada por el agujero de ozono Antártico y, por otra parte, este fenómeno está estrechamente vinculado con el del cambio climático.

Las actividades que ha desarrollado el fondo hasta el presente en materia de diversidad biológica, están principalmente orientadas a la conservación de dichos recursos. Creemos que en esta nueva etapa es menester modificar la definición y práctica en torno a dicha conservación, a fin de incluir el componente del uso sustentable.

Los proyectos referidos al uso sustentable atenderán a un componente de significativa importancia en esta materia, considerando que la conservación de la biodiversidad sólo es factible en entornos diversificados y administrados de manera sustentable.

Al respecto, queremos subrayar la importancia de las recomendaciones presentadas por el panel de evaluación científica y técnica, en particular aquella que alude a una necesaria y estrecha vinculación entre las labores del propio panel, con las de los demás órganos científicos subsidiarios de los convenios internacionales en materia ambiental.

De esta manera, el panel podrá desempeñar una función más efectiva en torno a la identificación de las necesidades de investigación focalizada, lo cual se traduciría en una mayor eficacia de los proyectos y programas del fondo.

Mi país considera que corresponde a cada uno de los gobiernos definir las prioridades en todo lo atinente a la preparación, aprobación y ejecución de los proyectos, como así también en materia de selección de las respectivas contrapartes. De ello dependerá una adecuada relación entre el fondo y los gobiernos, como asimismo entre estos últimos y las agencias de ejecución.

A este respecto, creemos en la necesidad de fortalecer el sistema de puntos focales nacionales y operacionales, lo cual permitiría asegurar una adecuada difusión de los lineamientos, metodologías y alcances de las actividades del fondo, como así también agilizar la tramitación de los diversos proyectos.

Statement of Australia

Margaret McDonald

Ambassador for the Environment,
Department of Foreign Affairs and Trade

It gives me great pleasure to address this first Assembly of the Global Environment Facility on behalf of the Australian Government.

I would like to thank you for successfully guiding us through our deliberations at the Assembly. It is highly appropriate and symbolic that this Assembly take place in India. The Australian Government would wish to extend its sincere thanks to the Government of India for its generosity as host.

Australia considers that the 1994 restructuring and replenishment of the GEF improved the capacity of the Facility to deliver tangible benefits in the Facility's four focal areas. They also made the GEF more accountable to its participating countries, as well as to the Convention on Biological Diversity and the Framework Convention on Climate Change.

I am pleased to inform this Assembly that Australia has developed a good working relationship with the GEF. For example, in the South Pacific, we are providing approximately \$5.1 million as cofinancing for the GEF South Pacific Biodiversity Conservation program. Together with the GEF, we are assisting Pacific Island countries, both financially and through the expertise of Australia's Great Barrier Reef Marine Park Authority, to prepare a strategic action program for their international waters.

This year represents another milestone in the GEF's history. Just last week, donors concluded negotiations for the second replenishment of the Facility. The replenishment reflects a sound result for the global environment and for the GEF.

Despite the successful replenishment, we must be mindful that the GEF is not the only source of funding for the environment. It complements and works in partnership with other important sources. For example, countries' own efforts in the realm of domestic public and private investment, as well as those of civil society, are pivotal. In this respect, governments have an important role to play in facilitating an attractive business environment to encourage private investment.

An organization that successfully thrives and grows is one that learns, adapts and constantly strives to

better fulfill its objectives. The GEF is such an organization. The recent finalization of the overall study of the GEF's performance highlights the GEF's ability to learn from past experiences and search for ways to do things better.

Looking to the future, Australia considers that the GEF must emphasize dynamism, inclusiveness and coherence in its policy development and operational programming. It must be a seamless conduit for mainstreaming global environment concerns into its own implementing agencies. The GEF must increase and enhance its engagement with the private sector to effectively leverage existing sources of funding. Innovative market-based mechanisms and partnerships, such as are in prospect under the clean development mechanism of the Kyoto Protocol, can offer some important future opportunities.

Throughout all its activities, the GEF must continue to respond to the expressed needs of developing countries and the economies in transition through country-driven and country-owned programs.

In pursuing this work, Australia considers that the GEF should remain open and accountable. Strengthening the Facility's monitoring and evaluation system, particularly through the development of performance indicators, will be an important vehicle for demonstrating its responsiveness, openness, and accountability to participants, the CBD and the FCCC.

Much still needs to be done by the global community to ensure the security of future generations through sustainable development. Needs are pressing, but the opportunities are many and Australia looks to play its part. In our immediate region, Australia will work with Pacific Island countries and the GEF to ensure that the small island states continue to have access to appropriate assistance.

In conclusion, Australia believes that the Facility is well placed to contribute to achieving global environmental security. Accordingly, we consider that the GEF should work for the CBD and the FCCC, including in respect of the recently negotiated Kyoto Protocol, on a continuing basis.

Statement of Austria

Harald Sitta

Director, Federal Ministry of Finance

It is a great honor to take part in this first Assembly of the Global Environment Facility, the GEF. In beginning, please allow me to pay special tribute to India and New Delhi for hosting this meeting in such a generous manner. I would also like to commend the CEO of the GEF and the GEF Secretariat for the careful preparation of our meetings here in New Delhi.

The 1992 Earth Summit in Rio called on all of us to promote sustainable development and protect our environment through concerted global, regional and national actions. I have the impression that the spirit of Rio remains strong and that we are in general on the right track.

At this first Assembly of the GEF we have the opportunity, or should I say the responsibility, not just to take stock and assess lessons, but also to address with renewed urgency the actions required to put our life styles, our consumption patterns, our population growth and our human settlement on a sustainable path. The tasks ahead of us are still enormous. Protecting the global environment, reducing poverty and promoting sustainable development is a very complex undertaking that requires global and national responses on the basis of international cooperation.

The now well-established and functioning GEF is helping developing countries and economies in transition by taking the first steps toward addressing this problem. The Global Environment Facility is:

- Genuinely helping countries meet their obligations under the Climate Change and Biodiversity Conventions.
- Providing economies in transition with resources to complete the phasing out of the ozone-depleting substances (ODS) and meet their obligations to the Montreal Protocol.
- Underwriting durable partnerships between countries who share large waters to manage them sustainably.
- Building capacity to identify and address global environment problems.
- Promoting cooperation between the implementing agencies (UNEP, UNDP and the World Bank).

Austria associated herself with the idea and the design of the Global Environment Facility from the outset and participated actively in the relevant discussions and negotiations to establish, and later on, to restructure the GEF. Austria supported the GEF with generous financial contributions during the pilot

phase and contributed to the Global Environment Trust Fund on the basis of a fair burden sharing at the first and second replenishments. And we will certainly contribute financially and through active participation to further strengthen the Facility as a very important instrument to help protect the national, regional and global environment.

Austria welcomes the fact that the link between the Climate Change Convention and the GEF is now based on a Memorandum of Understanding clarifying most of the relevant issues. However, Austria would favor that the GEF becomes, as soon as possible, the permanent financial mechanism of the Convention.

In Kyoto, there was agreement on a new mechanism, the so-called clean development mechanism, which is enshrined in the Kyoto Protocol. In our view, this new mechanism may give further incentives to mitigate climate change in developing countries. We believe, nevertheless, that this new mechanism should be closely linked to the GEF. In this context, we would like to reiterate the European Community's view that the role and experience of the GEF could and should be used in developing the modalities of this new mechanism.

With regard to GEF policies and programmes up to today, Austria welcomes the share that biodiversity-related projects have achieved in the overall GEF activities. Austria also highly appreciates the good working correlation between the GEF Secretariat and the Secretariat of the Convention on Biological Diversity. We acknowledge the guidance by the conference of the parties to the GEF as a valuable tool to assist the Council with regard to the priorities within the Convention process and its national implementation. This, in our view, helps to approve projects in accordance with the Convention, and should assist in reducing administrative costs.

In this regard, I would like to point out that Austria would very much appreciate an early decision by the conference of the parties to the Convention on Biological Diversity to establish the GEF as the permanent financial mechanism of the Convention. The evaluation of the GEF was an important step and should help in the respective discussion which we are looking forward to holding during the fourth conference of the parties in May in Bratislava.

Austria would also like to see a commitment that the GEF will offer to act as the financial mechanism

for the upcoming Protocol on Biosafety under the Convention on Biological Diversity when the Protocol enters into force. We could also foresee enabling activities for the implementation of the Protocol during the period from its signature up to the entry into force to be funded by the GEF.

With regard to the depletion of the ozone layer, I want to draw your attention to some concerns we have. The recent developments in ODS consumption and production in Central European economies in transition and the successor states of the Soviet Union show that ODS phase-out is occurring. While the phase-out of ODS in this region initially resulted mainly due to reductions in capacity utilization, the reductions are now increasingly market-driven.

Although the current level of ODS consumption is relatively small in comparison with ODS consumption in developing countries, the delayed compliance nevertheless presents the international community with a number of problems. One problem arising from delayed compliance of countries in transition are short- to medium-term concerns about the possibilities of illegal ODS trading. Another serious problem is the risk that outdated ODS-using technology and equipment might be exported to countries in transition. Furthermore, the legitimacy of international environmental agreements in general, and the Montreal Protocol in particular, may be eroded as a result from sustained noncompliance among a number of parties. These problem areas should be addressed by the parties of the Montreal Protocol and the GEF to ensure consistent phase-out.

Many of these countries have no financial and technical resources for implementing the phase-out in a planned and controlled manner. Therefore, inter-

national assistance for the ODS phase-out in countries of transition should be warranted to facilitate Montreal Protocol compliance in the region.

With regard to the future of the GEF, I would like to associate myself with and reiterate the recommendations of the study of GEF's overall performance and state Austria's position as follows:

- We fully agree that country drivenness and country ownership is needed in GEF activities.
- Concerning implementing and executing agencies, Austria believes that three implementing agencies are sufficient; however, it seems important to continue to provide other international institutions, particularly regional development banks, with access to GEF resources.
- Since the available resources are by far not enough for global environment protection, GEF resources should accordingly be strategically allocated and should leverage other resources (at present US\$1.00 of GEF grant generates US\$2.50).
- The involvement of the private sector should be increased, especially in terms of mobilization of resources and for technology transfer.
- Great importance should be attached to further simplifying the estimation of incremental costs for all GEF programme areas.
- Considerable thought and discussion are needed to elaborate the clean development mechanism of the Kyoto Protocol.
- The GEF should work closely together with the Conventions to analyze issues related to guidance in order to ensure their successful implementation.
- Monitoring and evaluation seem to us of utmost importance in order to extract and disseminate the lessons learned and improve future performance.

Statement of Bangladesh

Sayed Sajeda Chowdhury

Minister of Environment and Forests

At the outset, I would like to extend my sincere thanks and appreciation to the Government of India for hosting the first Assembly of the GEF and for the warm hospitality. I am particularly happy that the first Assembly of the GEF is being held in this beautiful and historic city of New Delhi, capital of India. I am confident that the deliberations in this meeting will

have a far-reaching positive impact on the global environment.

I would also like to express our deep gratitude to the GEF for their efforts in the preparation and organization of this meeting.

On behalf of Bangladesh, I wish to express my heartiest congratulations on your election as Chairman of this important Assembly. I assure you of our

fullest cooperation. Permit me Mr. Chairman, to convey our felicitations to His Excellency Mr. Atal Behari Vajpayee, Prime Minister of India, for his inspiring inaugural address, which I am confident will set the tone of our deliberations for the next three days.

As we stand on the threshold of a new millennium, we probably need to reflect on the achievements made on global environmental security more seriously. The purpose of establishing the Global Environment Facility in 1991 was something new—to make available funds for environment-friendly projects in developing countries. Actual progress, however, remains less than substantive.

We in Bangladesh are deeply concerned at the gradual deterioration of the global environment. The depletion of the ozone layer is gradually increasing world temperature. This in turn has contributed to melting of snow in the polar regions and a rise in the sea levels, which is a matter of serious concern for Bangladesh. Being a low-lying deltaic country, Bangladesh is under the threat of inundation by sea water. According to the IPCC (International Panel on Climate Change) report, 17.5% of the total land mass of Bangladesh will be inundated if the sea level rises by one meter. More than 50 million people will be rendered homeless, with disastrous effects on the country's economy.

Bangladesh is deeply committed to the concept of global environment security. Extensive efforts are being made by our Government to integrate environment and development concerns into decision-making and formulate new laws, policies and strategies for sustainable development. In line with global efforts, Bangladesh has enacted laws for protection of the environment; formulated strategies, policies and action plans, including a 20-year Forestry Master Plan; ratified all the major international conventions; and established the national coordination mechanism for sustainable development through formation of a National Environment Committee headed by the Prime Minister.

The Environment Policy of 1992, Bangladesh Environment Protection Act of 1995 and the Environment Protection Rules of 1997 will go a long way in the substantive reduction of pollution in the country and streamlining the responsibilities of different ministries of the Government engaged in economic development. These steps, I am convinced, will improve the situation in Bangladesh.

We also recognize the importance of bilateral and regional cooperation in sustaining the global environment. The historic Ganges Water Sharing Treaty

signed between India and Bangladesh in December 1996 has opened up vast opportunities for international investment and cooperation for sustaining environment.

Bangladesh was nationally allocated a fund of US\$3–5 million by the GEF for various projects. Out of that, only a fund of US\$235,000 has actually been placed by the GEF to conduct a PRIF study on Coastal and Wetland Biodiversity Management. The GEF project cycle and funding mechanism which now appear somewhat time-consuming need to be revised. We emphasize that attention needs to be given to swift evaluation of projects and quick placement and disbursement of funds. The funding mechanism also needs to be simplified and made responsive to project demands. Bangladesh being disaster-prone deserves high priority for GEF-funded projects.

We also feel that the criteria for allocation of funds for countries which face problems of depletion of biodiversity for various reasons need to be re-evaluated. In allocating funds, due consideration should be paid to the magnitude of the problems faced by a country.

A major objective in setting up the GEF in 1991 was to evolve a global funding mechanism for environment-friendly projects. That purpose will be defeated if developing countries cannot have access to concessional funds to conserve biodiversity. I, therefore, propose some points for the consideration of this assembly:

- Restructuring of the GEF with a view to formulating a *more simplified project cycle*, and *allocation and disbursement of funds*.
- *Concessional funding* to environment-friendly projects in developing countries.
- Prioritize the *magnitude* of problems in the funding, rather than considering the size of the country. Allocation should be made on the basis of priority of an issue.
- Provide training to concerned personnel of recipient countries.
- Project identification missions by GEF to developing countries be made more frequent.

I would conclude by congratulating you once again on your assumption of the chairmanship of this Assembly. I should also like to put on record the excellent manner in which you have conducted the business of this august assembly.

I would also like to thank the Government of India and GEF officials who have worked tirelessly to make this conference a success.

The earth is the only planet we have. Let us ensure a safe global environment for our posterity.

Statement of Belgium

Marc Gedopt

Ambassador for the Environment and Sustainable Development

My delegation would like to congratulate you on your election to the chair of this Assembly, and we would also like to thank the Government and the people of India for their hospitality.

This first Assembly of the Global Environment Facility heralds the coming of age of the GEF. The pilot phase and the restructuring were difficult times, but growing up is sometimes painful.

The successful second replenishment of the Global Environment Facility has shown us the growing confidence of the international community in the capacity of the GEF to carry out its task: to serve as the financial mechanism of the global environmental conventions. The tireless work of Mr. El-Ashry and his team has greatly contributed to this magnificent result.

But great challenges are still before us. We must now build on the lessons of the past for our work of tomorrow.

The first of these challenges is the long-term viability of our projects and programmes. Our efforts will not contribute to sustainable development in the longer term without the assurance of the sustainability of our projects. One of the basic conditions to reach this goal is to make sure that projects are really country-owned and country-driven. This will require continuing attention to awareness and capacity building. The participation of the local population in our projects must therefore also be high on our agenda.

A second challenge lies in the leveraging of other financial resources. One of the mechanisms to promote this aim is the mainstreaming of the concern for the global environment in the general programmes of multilateral and bilateral development agencies.

Our aim can certainly not be to limit their activities to global environmental concerns.

We fully recognize the importance of other objectives of development and of the local environment.

But we are convinced that these objectives can be met by activities that are not detrimental to the global environment. This leveraging will be reinforced by a greater emphasis on the replicability of projects, and will also strengthen the catalytic role of the GEF.

A third challenge will be to maintain the flexibility of the GEF. The conventions that we serve are no static instruments themselves, they evolve and change. The mechanisms foreseen in the Protocol of Kyoto have still to be developed, but they have the potential to evolve into new challenges and opportunities for our work.

Now that the GEF has become well established, we have to face the fact that our work will become the object of critical scrutiny.

In the last two years, we have seen a steady increase in the disbursement rate. This is a success in itself, but it also creates a new challenge of monitoring and evaluation of our projects. This system of evaluation has to be carried out, not only during the lifetime and at the end of a project cycle, but also years later. Our objective is sustainable benefit for the global environment. This must include the evaluation of a sustainable continuation of our finished projects. The streamlining of our project cycle has to go beyond the end of the project as such.

My country is proud to be part of this common effort by the international community to safeguard our global environment. We have the honor to represent at the Council a constituency of recipient and non-recipient countries. I would like to thank all these countries for the confidence they have given to us.

My country sees this Assembly as the start of our work in the 21st century. The challenges we face are great and numerous, but we do not have another option than to succeed in our task.

Statement of Belize

Mohinder Singh Sahni
Consul General to India

The Government and people of Belize, along with the political and operational focal points, join me in expressing our sincere thanks to you, Mr. Chairman, the Secretariat, the Council, and the implementing agencies for the hard work, dedication, and diligence that have made the Global Environment Facility the success story that it has become.

We concur with the agenda for the meeting, and express our support for the CEO's draft report on the policies, operations, and future development of the GEF, reconfirming our commitment to do our part to ensure that Belize continues to subscribe to the objectives established by the Council.

As a small developing country, we know that it is imperative that we adhere to our national priorities and goals, keeping in mind our obligations to the Convention on Biological Diversity and to the UN Framework Convention on Climate Change. Our geo-

graphical location demands that we support and encourage policies and programs geared toward the protection and maintenance of our environment in the context of the global initiatives that have emerged to preserve and protect the global environment.

We welcome the second replenishment of the GEF Trust Fund and are confident that it will enable us to better implement the global environmental conventions that we have subscribed to.

At the national level, we strive for better coordination between political and operational focal points and with relevant national and international agencies for the successful preparation and execution of the projects we have identified as essential for the protection of Belize's environment.

It is left only for me to congratulate you on your excellent stewardship of the affairs of the Global Environment Facility and to assure you of our continued support of your efforts on our behalf.

Statement of Bhutan

Paljor J. Dorji
Deputy Minister, National Environment Commission

It gives me great pleasure to be here with you at this GEF Assembly meeting. I have no doubt that this meeting will be an enriching experience for me.

At the outset, let me mention that the GEF, in my view, has grown from strength to strength under its present leadership. Therefore, it is my privilege to congratulate Mr. Mohamed T. El-Ashry on this accomplishment as well as on the successful establishment of the first environmental trust fund for Bhutan with great assistance from the GEF. I am confident that under his leadership, in times to come, the GEF will break much more new ground and add more mileage to its mission.

It is general knowledge that Bhutan emerged out of a self-imposed isolation in the early sixties. Nevertheless, Bhutanese leadership fully realized the impor-

ance of our natural surroundings to the socio-economic development of the Bhutanese people and the global environment. Today, as many countries grapple with the problems associated with degradation of the natural environment, we in Bhutan are blessed with an almost intact natural environment.

This was not an accident, but an outcome of a conscious development pursuit. We in Bhutan always felt, in our best ethics, not to over-borrow from our future generations, but to endow them with their natural heritage. It is only for this reason that the Royal Government received the advent of modern economic development with a conservation-based development policy. As a result, even after thirty years of economic development, natural forest cover spreads to over 72% of the country's total area while

the national system of protected areas occupies over 26% of the total area of the country.

By policy, commercial harvesting of timber and other forest resources without a scientific management plan and environmental impact assessment is forbidden. The policy of maintaining a 60% forest cover, first suggested by National Forest Policy in 1974, was formally mandated by the 73rd Session of the National Assembly of Bhutan in 1995. The conservation goals of the 1969 Bhutan Forest Act have been strengthened and expanded in the Forest and Nature Conservation Act of 1995. To provide a comprehensive framework of guidance for the development programs in the country, the Royal Government has prepared a national environment strategy. And as I mentioned earlier, a trust fund for environmental conservation has been established to provide sustained funding for environmental programs. These initiatives stand to tell that we in Bhutan are committed to preserving nature and giving back to the earth what one has taken.

In terms of global initiatives, along with many nations, Bhutan firmly upholds the importance of development paradigms enshrined in Agenda 21 and several other UN conventions on environment and sustainable development. Bhutan is a party to the Conventions on Biological Diversity and Climate

Change. In this regard, while many of the parties are faced with difficulties in translating the ideals of the conventions and Agenda 21 into actions, Bhutan has started to implement the activities of the Conventions. For instance, in keeping with the Convention on Biological Diversity, the Royal Government has prepared and adopted a biodiversity action plan. Furthermore, in addition to its usual conservation programs, the Royal Government, with support from donors, is implementing a Capacity 21 project, a Greenhouse Gases project and a project on Integrated Management of Jigme Dorji National Park.

In conclusion, environmental conservation is a long-term activity, the impact of which cannot be assessed over a time-frame of five to twenty years, but takes centuries or perhaps the rest of time and the rest of history. Therefore, one of the most important factors to be considered vis-à-vis environmental conservation programs is sustainability. Finally, I would like to state that with regard to access to funds and cooperation with donors, the secret formula, in my view and which the Royal Government of Bhutan follows, is good governance, transparency of activity, accountability, and actual implementation of activities which lead to a multiple win situation—a win for Bhutan, a win for the environment, a win for donors, and a win for the global community.

Statement of Brazil

Paulo Cesar Lage Barbosa

General Coordinator of Bilateral Finance,
Ministry of Planning and Budget

 On behalf of the Brazilian Government, I would like to congratulate you on your election to preside over this meeting, and to state my confidence that under your sure guidance we will reach the objectives that we have set forth to achieve.

Furthermore, I would like to take this opportunity to publicly acknowledge the remarkable work being done by the Secretariat during Mr. El-Ashry's tenure as GEF CEO, as well as to express our gratitude for the work of the three implementing agencies which have dedicated their time and best efforts to the success of this truly global endeavour.

Last but not least, I would also like to thank the

Government of India for its hospitality and the organization of the first GEF Assembly, a remarkable event that will be written in the history of the main actions aiming to achieve the common goal of sustainable development and protection of the global environment.

As we all know, the Global Environment Facility was established in 1992 at the Earth Summit, as the interim mechanism for the implementation of the Conventions. Since then, the GEF has increased its role in addressing some key environmental problems such as climate change, biodiversity loss, international waters protection and ozone layer depletion. Many lessons were learned through the operation of the GEF and

the projects implemented under its purview. Therefore, the participating countries decided to endorse the second replenishment of the Facility, recognising the GEF as one of the most important financial mechanisms for global environmental protection.

At the verge of the 21st century, we are constantly reminded of the challenges to be faced by the international community. Many efforts are being made to foster a vision for the future based upon the main principles of the sustainable development paradigm laid out in Agenda 21. Very recently, the President of Brazil had the honour of prefacing the book *Valuing the Global Environment: Actions and Investment for the 21st Century*, which was put together by the GEF. We believe that this publication is a most valuable contribution to the debate on global problems into the next century. To be able to tackle these huge tasks before them, the countries will have to work together, bearing in mind their common, but differentiated, responsibilities. To have a strengthened and efficient GEF is of utmost importance for the accomplishment of these goals.

Notwithstanding the work already carried out under the aegis of the GEF and acknowledging its important contribution to the mainstreaming of sustainable development concerns into international cooperation operations, some issues should receive special attention if we are to move ahead in a fruitful way. Many of them were mentioned in the study on GEF's overall performance that we have before us. I would like to highlight the need for further streamlining in the project cycle and the need for more transparency during the process of identification, design and approval of projects.

It has been agreed that GEF's projects must have global impact but should be country-driven and based on national priorities. From Brazil's point of view, this is an issue that needs more emphasising at the moment of defining policies, operations and the future development of the GEF.

The controversial concept of incremental cost continues to be difficult to apply in practice, requiring additional actions to make the process more flexible and easier for recipient countries and the implementing agencies.

The GEF member countries should avoid transforming the Facility into an instrument that makes "business as usual." We have to pursue positive ties between development and the environment through grants to projects and programmes.

At this point in time, Brazil regards as unnecessary the addition of new implementing agencies to the three current ones, which we believe have demonstrated a high level of competence and knowledge of national internal procedures. It is our understanding that it is not appropriate to transform GEF into a forum of discussions for the implementing agencies' financing policies.

As mentioned in the opening session, Brazil and its northern neighbours are facing a huge fire in important ecosystems.

In Brazil, the fire is in the savannahs of the State of Rondonia, a region next to the rain forest. We take this opportunity to thank all countries and entities that are giving financial and technical support to the Brazilian Government in its fight against this serious environmental threat. I am pleased to say that, according to the last news I had, the fire in Brazil is now under control, as a result of the appropriate actions that have been taken, and also because, thank God, it is raining in Rondonia, although it is not yet the raining season.

Brazil has actively participated in the GEF since its establishment and has every intention to continue to do so and lend its full-fledged support to the effort of making sustainable development a reality.

Finally, I would like to congratulate my partners for their significant contribution to the success of this Assembly. Please accept my sincere thanks.

Statement of Burkina Faso

Jean-Baptiste Kambou
Technical Councillor,
Ministry of Environment and Water

C'est pour moi un grand honneur de prendre la parole devant cette Assemblée, pour traduire au nom du Gouvernement du Burkina Faso et en celui de Monsieur Salif Diallo, Ministre d'Etat, Ministre de l'Environnement et de l'Eau, l'espoir que suscite pour nous la tenue de cette première assemblée du Fonds pour l'Environnement Mondial et vous adresser, Monsieur le Président, toutes nos félicitations pour votre élection à la tête de cette Assemblée.

Qu'il me soit permis d'adresser mes sincères remerciements aux Autorités Indiennes pour l'hospitalité pleine de chaleur et d'amitié qui nous a été réservée depuis notre arrivée à New Delhi.

Je voudrais, Monsieur le Président, avant de poursuivre mon propos, porter à votre connaissance et à celle de l'Assemblée, que mon pays le Burkina Faso est effectivement solidaire de l'idée—projet brillamment présentée lors de la plénière d'hier par votre Excellence, en votre qualité de Représentant du Gouvernement malien, et relative à la nécessité du financement d'un plan d'urgence de sauvetage du fleuve Niger et de ses affluents.

Il n'est point utile pour moi de vous rappeler la situation environnementale au Burkina Faso et les efforts entrepris par notre gouvernement pour améliorer les conditions de vie de nos populations, quotidiennement confrontées aux effets néfastes des multiples facteurs de dégradation de l'environnement.

Depuis les années 1970, le Burkina Faso, pays sahélien, n'a cessé de vivre les activités persistantes du climat, aggravées par les actions anthropiques, destructrices d'un environnement déjà fragilisé.

Face à ce déséquilibre écologique qui menace notre sécurité alimentaire, et met en péril le processus de développement durable, des orientations stratégiques et des actions concrètes ont été initiées sur le terrain.

Sans être exhaustif, nous pouvons retenir:

- Le Plan d'Action National pour l'Environnement ou Agenda 21 National.
- La stratégie nationale d'assainissement.
- Le processus de décentralisation engagé depuis un certain temps.
- L'adoption des lois relatives à la réorganisation Agricole et foncière, au code de l'environnement et au code forestier.

Au delà de ces actions à caractère national, notre pays a activement pris part à la préparation et à la tenue de la Conférence des Nations Unies sur l'environnement et le développement à Rio de Janeiro en 1992, et a fait sienne les principales conclusions que sont:

- La Convention cadre sur les changements climatiques.
- La Convention sur la diversité biologique.
- La Convention des Nations Unies sur la lutte contre la désertification.

Vous conviendrez avec moi de l'intérêt que revêt cette Assemblée pour mon pays, eu égard aux thèmes importants qu'elle aura à entériner, notamment les relations avec les conventions, l'évaluation des performances du FEM, les politiques et perspectives de développement du FEM.

La création du FEM répond au souci de la communauté internationale d'oeuvrer à travers un partenariat entre les Etats pour la sauvegarde de notre planète.

Malheureusement, ce fonds, de par sa complexité, les difficultés d'accès et la limitation un peu arbitraire à notre sens de ses domaines d'intervention, ne prend en compte que de manière très conditionnelle et indirecte une des principales préoccupations environnementales de notre pays et des pays africains en général, à savoir la lutte contre la désertification.

S'il est vrai que dans certains pays comme le nôtre, le FEM a octroyé des financements pour l'exécution de quelques activités, il reste que des projets d'investissement de réduction des gaz polluants, d'application de stratégies et programmes d'action nécessiteront des soutiens additionnels.

En effet, avec l'appui du FEM, le Burkina Faso met en oeuvre actuellement deux projets majeurs de gestion des ressources naturelles et de la faune, et d'optimisation de la biodiversité.

Par ailleurs, des actions habilitantes telles que l'élaboration de la monographie nationale sur la diversité biologique, la préparation de la communication initiale sur les changements climatiques et l'élaboration de plan et stratégie sur la diversité biologique sont en cours.

Le Burkina espère, avec la restructuration du Fonds pour l'Environnement Mondial et les récentes conclusions de la Conférence des Parties à la Convention sur la lutte contre la désertification, que des disposi-

tions concrètes et pratiques seront prises pour assouplir les procédures d'accès au fonds en vue de favoriser la mise en oeuvre de cette convention, espoir des

communautés sahéliennes vivant quotidiennement le spectre de la désertification et de la sécheresse, aggravée par la pauvreté.

Statement of Burundi

Samuel Bigawa

Minister of Territorial Development and Environment

C'est pour moi un grand plaisir et un agréable honneur de m'adresser à cette auguste assemblée au nom du Gouvernement du Burundi, à l'occasion de cette première réunion de l'Assemblée générale du Fonds pour l'environnement mondial.

Mais avant d'aller plus loin, permettez-moi d'emboîter le pas de ceux qui m'ont précédé, en remerciant du fond du coeur le Gouvernement indien et son valeureux et talentueux peuple, pour la chaleureuse ambiance d'accueil qui nous a été réservée depuis notre arrivée.

Il me plaît aussi de féliciter sincèrement Monsieur Mohamed T. El-Ashry, directeur général du Fonds pour l'environnement mondial ainsi que l'équipe qu'il dirige, pour les efforts fournis dans la préparation et l'organisation des travaux des différents ateliers, qui, j'en suis persuadé, permettront à l'Assemblée générale d'aboutir à des résultats importants.

Lorsque nous avons conclu à Rio, l'Agenda 21, nous savions que nous fondions un cadre pour des rapports nouveaux entre l'homme et la nature. Sa mise en oeuvre oblige les différents pays à assumer leurs responsabilités devant l'histoire de l'humanité, et les contraint à des choix d'autant plus complexes qu'ils doivent concilier la science, l'éthique et l'économie, facteurs indispensables pour le développement durable.

Il est encourageant de constater que, juste après le sommet de Rio de Janeiro sur l'environnement et le développement, l'Assemblée générale des Nations Unies, dans sa 47^e session, a décidé de permettre la participation au FEM des pays en voie de développement. C'est une preuve assez éloquente qui montre que les pays industrialisés reconnaissent, à juste titre, l'obligation morale de soutenir dans un cadre de concertation les efforts des pays en développement en vue de sauvegarder l'environnement mondial. Le Gouvernement du Burundi s'engage à soutenir toutes les actions du FEM afin de contribuer à la protection

de l'environnement mondial.

Les structures organisationnelles mises en place pour le fonctionnement du FEM restructuré ont permis d'oeuvrer dans le cadre d'un consensus général pour l'orientation de tous les efforts tant au niveau national qu'international vers le développement durable. C'est pourquoi la délégation burundaise saisit cette occasion pour remercier les agences d'exécution du FEM représentées dans mon pays pour leur collaboration fort appréciée.

Au niveau international, il est heureux de constater que les différentes négociations qui ont abouti à la ratification des conventions en rapport avec l'environnement ont largement contribué à accroître la prise de conscience de la corrélation entre le développement durable et l'environnement chez tous les acteurs sociaux qui sont les dirigeants politiques, les représentants de mouvements des citoyens, de la communauté scientifique et des médias. À l'heure actuelle, il est indéniable que l'articulation environnement-développement est devenue un véritable enjeu dont la réussite conditionne la préservation de l'environnement mondial.

Au niveau national, avec l'assistance du Programme des Nations Unies pour l'environnement (PNUE) et des autres organismes internationaux, le Burundi a accompli certains progrès dans la mise en oeuvre de l'Agenda 21 : la ratification de conventions en rapport avec l'environnement, l'élaboration de la stratégie nationale pour l'environnement et son plan d'action, l'élaboration de législations en matière d'environnement et la gestion des déchets solides et des eaux usées.

La préservation de la diversité biologique s'est concrétisée à travers la conservation et la gestion des aires protégées dont la superficie couvre 4 % du territoire national. Des efforts pour la lutte contre le déboisement ont aussi été menés. Mais le volume de consommation du bois étant toujours élevé compte tenu de la forte demande en énergie (à peu près 4,5 mil-

lions de tonnes de bois sont consommés chaque année), le Burundi doit fournir encore de gros efforts dans sa politique de reforestation : d'où une politique d'alternatives au bois-énergie s'avère nécessaire et urgente. En effet, malgré sa bonne volonté d'honorer les engagements conclus à Rio, le Burundi est resté en deçà du programme tracé par l'Agenda 21, suite aux contraintes de plusieurs ordres et plus particulièrement la crise socio-politique de 1993 et l'afflux massif de réfugiés venant des pays limitrophes du Burundi qui a fortement engendré la dégradation de l'environnement par le déboisement pour des besoins énergétiques essentiellement.

Le Gouvernement du Burundi enregistre de plus en plus une nette amélioration de la situation sécuritaire dans le pays. Des activités de reconstruction intéressant tous les domaines de la vie nationale ont repris. L'assistance reçue des pays amis et des organisations non gouvernementales ne cesse d'augmenter, surtout en ce qui concerne l'aide humanitaire. Et je voudrais, Monsieur le Président, profiter de cette occasion pour dire encore une fois merci à tous ceux qui, de près ou de loin, contribuent à cette assistance qui a permis au Gouvernement de sauver des vies humaines.

Concernant l'assistance pour la protection et la gestion de l'environnement, nous déplorons le fait que beaucoup de bailleurs de fonds ont ralenti leur aide depuis que la crise socio-politique de 1993 secoue notre pays. Nous tenons à exprimer notre profonde

gratitude envers les autorités du FEM qui continuent de nous soutenir en nous accordant des financements pour protéger la diversité biologique du lac Tanganyika dans le cadre d'un projet régional exécuté conjointement par les pays limitrophes de ce lac, à savoir : la Tanzanie, la Zambie, la République démocratique du Congo et le Burundi.

Dans le plan à court et moyen termes prévu par le Gouvernement, la réhabilitation des ressources naturelles occupe une place de choix et nécessite beaucoup de moyens matériels et humains. C'est pourquoi, Monsieur le Président, j'aimerais vous demander d'accepter de devenir notre fidèle ambassadeur pour plaider en faveur d'un financement d'urgence pour la restauration de l'équilibre écologique gravement fragilisé par la guerre dans la sous-région des grands lacs et plus particulièrement dans mon pays, le Burundi.

Je m'en voudrais de clore mon intervention sans évoquer le problème de concertation entre les pays au sein d'une même circonscription. Il est vrai que les représentants des circonscriptions se réunissent régulièrement au Conseil du FEM pour discuter et décider des politiques qui doivent guider les activités du FEM et pour approuver les propositions de projets. Cependant, nous sommes convaincus que cette concertation pourrait être améliorée par la tenue régulière de réunions préparatoires regroupant les représentants des pays d'une même circonscription.

Statement of Canada

Jim Carruthers

Director-General, Canadian International Development Agency

I welcome this opportunity to add Canada's voice to those who have already spoken on the important issues before this Assembly.

In recent years, we have all come to appreciate the seriousness and the complexity of the threats posed by climate change, the irreplaceable loss of species, the transport of toxins through international waters, and depletion of our atmosphere's ozone layer. Never before has the planet's entire population faced such common universal threats. The imperative of preserving the heritage of our planet has become the truly unique challenge of our age.

Our collective will to take action has been demonstrated in the formation of the Global Environment

Facility—an example of global cooperation blending elements of the UN system and the IFI systems. GEF is not just another mechanism for ODA; it is nothing less than a new experiment in global governance.

As the Chief Executive Officer notes in his report to this Assembly, the GEF has had to evolve and mature into a more representative, participatory, transparent, effective, and strategic organization. This has been quite an accomplishment in the space of a few years. And yet it is just the start. The GEF must continue to evolve and enhance its effectiveness if it is to reach its goals. Canada has strongly supported the GEF to date through our financial contributions and our work as a member of the GEF Council. We intend to continue

this strong support to the GEF, its implementing agencies, and recipients to finish the work we have started. Canada is committed to a full funding of the second GEF replenishment, and we encourage all donors to do likewise.

We have been very fortunate in the case of the GEF to have a highly professional and dedicated Secretariat and CEO to manage its operations. But a successful GEF is predicated not just on the hard work of one organization, but the cooperation of many—the country focal points, the implementing agencies, civil society, and the private sector. In addition, the GEF has two very important relationships with the main Conventions it serves. In this regard, it is crucial that the GEF be confirmed as the permanent financial mechanism for these two Conventions.

The GEF is an exercise in participatory action. From project beneficiaries to the governing Council, GEF's links with other stakeholders are the key to its success. Canada firmly believes that civil society's awareness and participation are crucial for the success of any government-led initiative, especially one dealing with the global commons.

In this regard, the involvement of civil society in the GEF is unique among international financial mechanisms and is one of the ways in which the GEF has demonstrated leadership through innovation. The GEF involves civil society through NGO participation at meetings of the GEF Council as well as during the full project cycle where awareness of local conditions and building local participation are essential ingredients for project success.

The GEF is now poised to move into a new phase. Earlier this week, the Council endorsed the second replenishment of the GEF including a policy statement with six key components. First, GEF activities must be more country-driven and based on national priorities designed to support sustainable development and the global environment.

Second, there must be greater mainstreaming of GEF objectives in the policies and program activities of the implementing agencies, and all governments have a responsibility to promote this objective through their directors in these institutions.

Third, the GEF should seek new opportunities and modalities for working with the private sector which is instrumental in diffusing technology and knowledge for a better global environment.

Fourth, a strong monitoring and evaluation function is necessary to measure progress and results, as well as for achieving greater project quality and effectiveness. Clear performance indicators are needed for GEF programs as well as projects.

Fifth, the GEF should promote participation of a wider range of executing agencies to increase responsiveness, efficiency, and diversity in projects and approaches.

Sixth, the GEF should reaffirm the principle of incremental costs while seeking to clarify how it should be applied. Canada fully supports all these measures and will work with the GEF Council for their implementation.

The future success of the GEF will not just be measured in dollars spent. Rather it will be measured by mere concrete results—yardsticks such as tons of carbon reductions, preservation of species and habitats, the improvement in quality of international water, and reductions of ozone-depleting substances. These are the results we all expect the GEF to deliver in the coming years, results which will build support for the GEF in Canada and in all the countries present here.

This Assembly has the potential to build the consensus necessary to bring global environmental concerns into the mainstream of development—a consensus which will be essential if the GEF is to succeed in reaching its goals. We are therefore delighted to see that such a wide range of participants have taken up the invitation to join this meeting. Each of you has a role to play in forging a renewed global solidarity on global environmental stewardship, to collaborate in restoring a healthy global ecosystem rather than simply consuming the planet's resources. Let us all work at this Assembly at demonstrating our collective commitment to these goals.

I cannot conclude my remarks about this Assembly without noting the significance of holding this meeting in New Delhi. India has been a strong supporter of the GEF in a number of ways—as a home to important GEF projects, as an active member of GEF's governing Council, and also as a donor to the GEF Trust Fund. It is therefore highly appropriate that the first Assembly is taking place here. I would like to extend our sincere thanks to the Government of India for inviting the GEF participants from around the world to New Delhi, and for so graciously hosting this event.

Statement of Central African Republic

Joseph Gnomba

Minister of the Environment, Water, Forest,
Hunting and Fisheries

C'est un honneur pour moi, de prendre la parole devant cette auguste Assemblée. Mais avant de poursuivre mon propos, je voudrais tout d'abord m'acquitter d'un devoir. Je voudrais, au nom du Gouvernement de la République Centrafricaine, transmettre à la grande famille du Fonds pour l'Environnement Mondial (FEM), ainsi qu'au vaillant peuple Indien tout entier, les fraternelles salutations du peuple Centrafricain.

La République Centrafricaine est située au coeur de l'Afrique et plus particulièrement en zone tropicale. Sa population est de 3 millions d'habitants pour une superficie de 623,000 Km². Cette position privilégiée, à cheval sur la forêt dense humide au sud et la steppe au Nord, lui confère une grande diversité biologique.

Malgré ces atouts, sa grande faune jadis prospère est fortement menacée par le braconnage national et international depuis plus de deux décennies. La flore, quant à elle subit des pressions et agressions de toutes sortes liées au recul de l'habitat dont l'impact sur la faune est très important. Les feux de brousse et l'occupation anarchique des établissements humains, sont autant de maux dont souffre l'environnement Centrafricain. Bref, sa situation inquiète déjà, obligeant ainsi, le Gouvernement Centrafricain à prendre de sérieuses mesures pour sa conservation, car si rien n'est fait maintenant, il risque d'être trop tard dans quelques années.

C'est pour parer à cette éventualité non souhaitée, que la RCA, à l'instar des autres pays d'Afrique et du Monde, a intégré le FEM le 23 Mars 1995, en vue de participer à l'effort global de sauvegarde de l'Environnement, pour un développement durable.

A l'heure actuelle, le FEM intervient en RCA à travers des projets nationaux et sous régionaux.

Sur le plan national, le FEM a alloué des fonds à la RCA dans le cas des projets suivants:

- Appui à la formulation de la stratégie rationnelle de la conservation de la biodiversité, au Plan d'Action et au Rapport de pays à la Conférence des Parties.
- Protection et utilisation durable de la diversité

biologique de la forêt de Bangassou par une approche hautement décentralisée.

- Développement des capacités de la RCA pour sa préparation de sa Communication initiale, en réponse à ses engagements à la Convention sur les Changements climatiques.

Tous les projets susmentionnés sont déjà fonctionnels.

Sur le plan sous-régional, l'intervention du FEM en faveur de la protection des bassins du Congo d'une part, et celui du Tchad d'autre part, permet à la RCA de bénéficier d'appuis complémentaires pour la conservation de ces écosystèmes.

Ces interventions concernent:

- Le Projet Régional de Gestion de l'Information Environnementale (PRGIE).

- L'appui à l'identification des acteurs de la partie Centrafricaine du bassin du Lac Tchad et le bilan-perspective de la dimension participative dans le développement du bassin versant.

- La Conférence sur les écosystèmes des forêts denses humides d'Afrique centrale (CEFDHAC).

Toutes ces initiatives démontrent l'intérêt croissant que le FEM ne cesse de manifester pour l'environnement en RCA et dans la sous-region. Je voudrais saisir cette occasion pour remercier sincèrement, le Secrétariat du FEM pour le soutien constant qu'il ne cesse d'apporter au peuple Centrafricain, afin de l'aider à réaliser son développement durable.

Bien que des progrès aient été réalisés, il conviendrait de faire remarquer que, les mécanismes de financement du FEM n'ont pas toujours paru faciles pour la plupart des bénéficiaires qui jugent les modalités de mobilisation effective des ressources délicates et complexes. Nous espérons que des efforts seront faits pour améliorer cette situation qui est parfois pénalisantes pour les pays en développement.

Pour terminer, je souhaite que cette Assemblée puisse déboucher sur des recommandations concrètes et pratiques, en vue de permettre une gestion durable de l'environnement qui est source de bien-être pour l'humanité toute entière.

Statement of Chad

Mariam Mahamat Nour

Minister of the Environment and Water

On behalf of President Idriss Deby, the Government and the people of Tchad, I would like to thank the Government and the people of India for hosting the first GEF Assembly so graciously and for the warm and brotherly care offered to us since our arrival.

I would like, also, to congratulate you, Mr. Chairman, and members of your Bureau on your election to conduct this historic Assembly to its conclusion.

Now, Mr. Chairman, Ladies and Gentlemen, allow me to continue my speech in French which is our official language in Chad.

Le Tchad notre pays est très honoré de prendre part à la première Assemblée du FEM. La présente assemblée nous offre l'occasion de porter à votre connaissance les opérations menées par cette institution dans notre pays et la politique poursuivie par le Gouvernement du Tchad dans les domaines de l'environnement.

Le FEM intervient au Tchad par le financement d'un certain nombre de projets dont je ne citerais ici que quelques uns. Il s'agit entre autres:

- De la "Stratégies Rationale et Plan d'action en matière de Diversité Biologique (SNPA-DB) et rapport de pays à la Conférence des Parties (CP)."

- Du "projet régional pour l'élaboration d'un plan d'action stratégique pour le Bassin du Lac Tchad (PDF, Bloc B)."

- Du "projet de la conservation" de Biodiversité et Lutte Contre la Désertification dans la région du Moyen chari."

Plus de la moitié de territoire Tchadien est désertique. Quand on y ajoute la zone sahélienne, ce sont les trois-quarts de la superficie: du pays qui en font partie. Conscient de la vulnérabilité que représentent ces écosystèmes (désertique et sahélien) le Gouvernement du Tchad, malgré ses limitations en ressources financières, s'efforce à asseoir une politique efficace de protection de l'environnement.

Au cours de ces trois dernières années, mon pays a franchi une étape cruciale avec la mise en place d'un cadre institutionnel propre à favoriser la protection de l'environnement et le développement durable. Ainsi, en 1995, le Tchad s'est doté d'un Haut Comité National Pour l'Environnement (HCNE), placé sous la présidence du Premier Ministre et composé d'une dizaine de ministres. En 1997, il a mis en place le Point Focal de la Lutte contre la Désertification (PCLCD).

A l'aire de la gestion pétrolière au Tchad, une prise

en main énergique de la protection de l'environnement s'impose. C'est pourquoi le Gouvernement Tchadien vient d'adopter en son Conseil des Ministres du 19 février 1998, la "La Loi Cadre sur l'Environnement." Cette loi sera débattue pendant la session en cours de l'Assemblée Nationale. Le Gouvernement a mis aussi en place un comité national de suivi et de contrôle de l'environnement du projet pétrolier qui est déjà à pied d'oeuvre depuis plusieurs mois.

Afin de suivre les opérations menées par le FEM au Tchad, le Ministère de l'Environnement et de l'Eau vient de mettre en place le "Point Focal" de cette institution, point focal rattaché auparavant au Centre National d'Appui à la Recherche (CNAR).

La Protection de l'environnement, comme vous le savez ci bien, est aussi inséparable de la lutte contre la pauvreté. Avec un revenu par habitant estimé à US \$160 en 1997, le Tchad fait partie des pays les plus pauvres du monde. Le Gouvernement de mon pays est convaincu que la pauvreté est un facteur causal et aggravant de la dégradation de l'environnement. Les dégradations majeures sont liées, le plus souvent, aux activités des couches les plus défavorisées de la population n'ayant pour seul recours que le prélèvement incontrôlé de leurs ressources naturelles pour survivre.

Trois exemples illustrent parfaitement mon propos; il s'agit des problèmes de braconnage, de déforestation et de disparition des ressources halieutiques. En effet, les forêts et la faune disparaissent et les ressources halieutiques s'amenuisent, prise d'assaut par une population croissante à la recherche des nouvelles terres agricoles, de pâturage et de protéines animales.

Face à cette situation périlleuse, le Gouvernement du Tchad s'est engagé à utiliser les ressources qui proviendront de l'exploitation pétrolière pour la lutte contre la pauvreté, en les orientant principalement à l'éducation, à la santé, au développement rural, à la protection de l'environnement et aux infrastructures.

Malgré la volonté affichée par le gouvernement de mon pays à conduire ses actions vers un développement durable, la persistance de la pauvreté aggravée par une campagne agricole peu satisfaisante risque une fois de plus de détourner nos laborieuses populations de l'intérêt premier qu'il y a de préserver leur environnement.

Aussi, tout en fondant l'espoir que la mobilisation en cours au plan international par le Canal du FEM nous offre de lendemain meilleur, je lance ici un

appel solennel pour qu'une attention particulière soit accordé au Tchad.

Avant de terminer mon propos, je voudrais adresser mes vifs remerciements mes chaleureuses félicitations à son Excellence Mohamed El-Ashry, Directeur

Général et Président du FEM, pour la parfaite organisation de cette Assemblée et la grande qualité de la documentation mise à notre dispositions. Nous sommes convaincus que notre importante organisation qu'est le FEM est en des mains sûres.

Statement of Chile

Benjamin Concha
Ambassador to India

En primer lugar, señor Presidente, deseo felicitarlo por su elección. Esta constituye una garantía para la orientación y conducción de las deliberaciones de esta conferencia y asegura que sus trabajos producirán resultados útiles y provechosos. Al mismo tiempo, quisiera expresar nuestro reconocimiento a las autoridades del Gobierno de India por la muy amable y bien organizada acogida que nos ha brindado.

En Gobierno de Chile reafirma ante esta importante Asamblea su compromiso con los principios y objetivos acordados en Rio de Janeiro en 1992. Nuestro Gobierno entiende que el cumplimiento de la Agenda 21, y de los demás compromisos de la Cumbre de la Tierra, requieren de la voluntad política de internalizar el concepto de sustentabilidad en todos los ámbitos de la actividad humana y las políticas públicas; de la creación de vínculos efectivos de cooperación técnica y financiera entre las naciones, y del compromiso de todos los países de adoptar medidas para revertir el deterioro del medio ambiente global, en forma proporcional a su contribución a ese deterioro, respetando así los principios de equidad y responsabilidad que deben guiarnos como ciudadanos de este planeta que compartimos todos.

La sensibilidad de nuestro país a los fenómenos ambientales globales es creciente. Siendo responsables sólo marginalmente de ellos, sufrimos sus efectos de manera directa. El caso más evidente es el adelgazamiento de la Capa de Ozono y el consecuente aumento de la radiación ultravioleta sobre el Cono Sur de America, siendo la ciudad de Punta Arenas, ubicada en el Estrecho de Magallanes, la mayor población humana expuesta a este riesgo.

Desde que recuperamos la democracia, hace tan sólo ocho años, Chile ha adoptado una estrategia de desarrollo sustentable que busca combinar crecimiento económico, con equidad social y justicia social, y

con la preservación del medio ambiente, a fin de mejorar las condiciones y la calidad de vida de todos los chilenos.

Desde la Cumbre de Rio, Chile se ha dotado de una legislación ambiental moderna y una nueva institucionalidad para la protección del medio ambiente, para así hacer frente a la gran tarea nacional de recuperar la calidad ambiental, afectada por la acumulación de problemas ambientales durante décadas de abandono.

En este contexto, el país está poniendo en práctica su política ambiental para el desarrollo sustentable, con una invitación amplia a todos los sectores de la sociedad a unirse al desafío de construir un país ambientalmente sustentable.

En este corto período, para citar sólo algunas de las 34 líneas de acción de la política del Gobierno, hemos avanzado en la recuperación del deterioro ambiental con planes de descontaminación del aire y del agua en zonas urbanas e industriales; en la prevención, mediante la dictación de un catastro básico de normas de calidad ambiental y de emisión; en la evaluación de los impactos ambientales de los proyectos de inversión; en la educación ambiental; y en la conservación y uso sustentable de los recursos naturales a través de la regulación de la pesca y el fortalecimiento de la institucionalidad forestal.

No obstante estos logros, el camino por recorrer es complejo y requiere de la creatividad y el compromiso de todos los actores: el sector público, los académicos, los empresarios, los trabajadores, las organizaciones no gubernamentales, organismos de bases, y la ciudadanía en general, además de la colaboración de países más avanzados, que el nuestro, en la gestión ambiental.

Chile también ha sido activo en el cumplimiento de nuestros compromisos internacionales asociados a las convenciones de Diversidad Biológica, de Cambio Climático, el Protocolo de Montreal y la Convención

de Lucha contra la Desertificación. El año pasado fue aprobado nuestro Plan Nacional para combatir esta degradación. En diversidad biológica, estamos definiendo las prioridades para la Estrategia Nacional y su correspondiente plan de acción. Adicionalmente, hemos desarrollado un sistema de información para la gestión en la materia. En los últimos tres años... han crecido diez nuevas áreas protegidas, con lo [confirm] que alcanzamos un 18% de la superficie del territorio nacional sujeto a régimen de protección. Estamos poniendo en marcha proyectos demostrativos e innovativos en cumplimiento del Protocolo de Montreal y de la Convención de Cambio Climático.

Nuestros bosques están también en el centro de nuestras preocupaciones. Participamos activamente en el Panel Intergubernamental de Bosques. Estamos revisando nuestra legislación y hemos finalizado el primer catastro nacional de los recursos vegetacionales nativos.

Reconocemos en estas acciones nuestro deber con el medio ambiente mundial y entendemos que la preservación de la salud del planeta es un desafío para la totalidad de la humanidad, cuyo éxito estrechamente ligado a la cooperación e integración de los esfuerzos de los diferentes Estados, de los organismos internacionales, del sector privado y de la ciudadanía. La emergencia de la problemática ambiental internacional ha traído consigo un interés global por dar solución, más allá del estricto marco nacional, a los impactos sobre el medio ambiente.

Para muchos países en desarrollo, en particular los más pobres, la conciliación entre crecimiento económico y la lucha contra la pobreza, por una parte, y la conservación del medio ambiente a nivel nacional y mundial, por otra, supone esfuerzos que van más allá de sus posibilidades materiales. La creación del Fondo para el Medio Ambiente Mundial, con una modalidad de administración novedosa, fue un hito en la cooperación internacional ambiental, generando un mecanismo de financiamiento con beneficios ambientales globales asociados a proyectos de desarrollo sustentable en los países en desarrollo.

Chile considera que los compromisos asumidos por los países desarrollados, en cuanto a asistencia

tecnológica y financiera, deben ser respetados y profundizados. Apoyamos la continuidad y consolidación del Fondo para el Medio Ambiente Mundial y valoramos profundamente la oferta de algunos países desarrollados y otros con economías en transición de renovar sus contribuciones.

Sin embargo, es para nosotros evidente que la magnitud de los problemas ambientales globales supera con mucho las capacidades financieras del FMAM/GEF. Es necesario, por lo tanto, que los países, como ya algunos lo han hecho, entreguen aportes suplementarios y adicionales para la presente etapa del fondo. Pero más significativamente, el futuro del FMAM/GEF depende de la capacidad de integrar los objetivos y las estrategias ambientales globales en las políticas de los países, de las instituciones donantes y financieras, y del sector privado.

En este contexto, favorecemos la adopción de medidas que implican mayor eficiencia y agilidad administrativa en la tramitación de los proyectos y la práctica de evaluaciones periódicas y rigurosas.

Desde nuestra perspectiva, la creciente participación del sector privado en la cartera de proyectos es esencial para aumentar su eficacia y sobre todo la sustentabilidad de los beneficios obtenidos. Con este fin apoyamos el empleo de mecanismos realistas y permanentes de financiamiento, incluyendo incentivos, mecanismos de mercado y subsidios para lograr el involucramiento del sector privado en las tareas de conservación y administración requeridas para la consecución de los objetivos globales.

Chile, como país de desarrollo intermedio, está dispuesto a sumarse a los esfuerzos de la comunidad internacional en la magna tarea de mejorar nuestro medio ambiente mundial, poniendo a disposición la experiencia que, al respecto, hemos acumulado en los últimos años y aprendiendo de los éxitos de los demás países. Estamos confiados que, con la participación de la ciudadanía y sus organizaciones, seremos capaces de acelerar y profundizar la implementación a nivel nacional y global de los compromisos a favor del planeta y el medio ambiente global, para el bien de nuestros países y de las generaciones futuras de esta tierra.

Statement of China

Jin Liqun

Assistant Minister of Finance

First of all, please allow me, on behalf of the Chinese delegation, to express our sincere appreciation to the Government and people of India for the warm hospitality extended to all the delegates. I also want to congratulate you on your election as the Chairman of the first Assembly of the Global Environment Facility. I believe that, under the able guidance of your Excellency and through the concerted efforts of all the delegations, this Assembly will certainly be crowned with success.

As mankind approaches the threshold of the 21st century, to bring what kind of a world into the new millennium has become an issue of universal concern. Six years ago in Rio de Janeiro, the United Nations Conference on Environment and Development adopted Agenda 21. For the first time in human history, it set forth, in a comprehensive and systematic manner, the program of sustainable development and the guiding principles for international environment and development cooperation toward the 21st century. This historical event marked a new stage in the human cognition of environment and development. Since the Rio Conference, “sustainable development” has been not only accepted as a concept, but also put into real practice by governments and people all over the world. The restructuring and replenishment of the GEF itself is a concrete result in the international environment cooperation after Rio. Today, we, the representatives from 161 countries, meet here in New Delhi to demonstrate once again our commitment to protecting the earth planet, the common homeland of mankind.

The Chinese Government attaches great importance to environment protection, and made it one of the basic state policies in the early 1980s. Highly responsible to the future generations and the international community, China formulated her own “Agenda 21” soon after the Rio Summit, which lays out the guiding principles for the holistic planning for and the coordinated development of the nation’s economy, society, resources and environment. The strategy of sustainable development has been incorporated into our National Economic and Social Development Program. Moreover, it is being implemented forcefully through a series of effective domestic measures. As a result, China has made notable progress in environment protection as well as economic and social development.

■ Since the beginning of this decade, China’s GNP has been growing at an average annual rate of 10%, and the poverty-stricken population has declined from 80 million in the early 1990s to about 50 million at present. While registering rapid economic growth, China has basically been able to avoid drastic environmental degradation, and even improve the environment in certain areas.

■ The family planning program has been implemented effectively, and the nation’s natural population growth rate has dropped steadily.

■ The economic growth pattern has begun to transform, and the efficiency in utilizing resources—particularly energy—has increased by a notable margin thanks to scientific and technological advances. Enormous efforts have been made to promote clean production processes. The emission and discharging standards are being enforced nationwide, and about 65,000 seriously polluting enterprises have been closed down. At the same time, we are implementing a program of aggregate pollutants control aimed at an effective curb of the increase of the aggregate discharge of pollutants during a time of rapid economic growth. In addition, we are focusing on treating the seriously polluted areas through the Cross-Century Green Project, and initial success has been achieved.

■ Proactive measures have also been taken to preserve biodiversity, particularly endangered species. A network of nature reserves has taken shape, covering 7.6% of the nation’s territory. In addition, China has strengthened forest protection and cultivation, and a nationwide voluntary afforestation program has been under active implementation. As a result, the forest coverage has risen from less than 13% in 1992 to about 14% at present.

As a developing country with 1.2 billion people, China, by doing her own job well, is contributing significantly to global environment protection and economic development. While mainly relying on her own efforts to make the headway in promoting sustainable development, China has also benefited from the support of the international community, including the GEF, in the course of participating in international environmental cooperation on the basis of equity and mutual benefit.

In accordance with the GEF instrument, the main responsibility of the Assembly is to review the general policies and to evaluate the operation of the Facility. I

would like to share with you my observations on the main items of our agenda.

The GEF has made certain important progress since its inception, especially since its restructuring in 1994. As a fund, GEF has provided urgently needed assistance to developing countries, enabling them to participate better in the cause of global environment protection. The concessional financing from the GEF, albeit quite moderate in quantity, is supporting projects in developing countries with important demonstration effects. As a mechanism for international cooperation in the environment arena, the GEF has helped enhance the awareness of the international community about some of the major global environmental issues. It has cemented the concerted efforts of developed and developing countries and some international institutions to address climate change and to protect biodiversity, international waters and the ozone layer. On this occasion, I want to commend the Secretariat and the three implementing agencies for all the contributions they have made during this process. In particular, I want to express my appreciation to Mr. Mohamed El-Ashry, CEO and Chairman of the Facility, for the constructive role he has played over the years.

There is, however, no room for complacency. Much more remains to be done for global sustainable development. Further efforts by all the parties concerned are needed if the GEF is to fully live up to its mission. This, we understand, is why we are meeting here in New Delhi.

The negotiations for the GEF's second replenishment have concluded, and the donors have reached agreement on the size of the replenishment. We appreciate the efforts made by the parties concerned. But it should be pointed out that there is in fact no real increase of funding in this replenishment. The resources available to the GEF are still far from adequate to meet the increasing financial demands for addressing the austere global environmental reality. In recent years, developed countries, with only a few exceptions, have been reducing their ODA. They have failed to honor their commitment made in Rio. This cannot but be regrettable. We strongly call upon developed countries to take steps as soon as possible to change this worrisome situation. At the same time, we hope that those donors that still have arrears to the GEF-1 will fulfill their obligations sooner rather than later.

Compared with the pilot phase, the GEF-1 has improved its performance notably. But there is still great potential for further improvement. We believe that the GEF project cycle and approval procedures need simplification. In this connection, we are pleased to see that the GEF Council has adopted streamlined procedures for enabling activities and

medium-sized projects. But much more needs to be done. The procedures for approving the regular investment projects should also be streamlined. Taking this opportunity, we request the Council to take prompt actions to address this issue. We also urge that the Secretariat and the implementing agencies continue their efforts toward that end, and bring into full play the synergy among them with a view to serving the recipient countries better and in a more timely manner. We strongly hold that in applying the concept of the "incremental cost," transparency should be further enhanced and flexibility increased. Particularly, we are of the view that recipient countries that will actually implement all the GEF projects should be given a bigger say in determining incremental cost.

Like other developing countries, we think that the pace of the GEF activities should be accelerated. Up to now, the policy framework for the GEF operations has been basically put in place thanks to the efforts of the Council. The capacity of recipient countries to absorb and the capacity of the implementing agencies to deliver have been strengthened over time. And the conferences of the parties of the Conventions have provided more specific policy guidance. All these developments have created a better environment for the GEF to accelerate its operations. It is our hope that the GEF-2 will do a better job in this respect.

We fully support the "country-driven" principle in the GEF's operations. The GEF projects should be in full conformity with the policies and priorities of sustainable development of the recipient countries. This is an indispensable condition for the success of the GEF projects. Therefore, in formulating operation policies and designing specific projects, the GEF should take into full consideration country-specific situations and listen to the governments and other parties concerned in the recipient countries where the GEF projects are located.

We have noted that in recent years, the GEF, particularly some of its developed participants, has been pushing the implementing agencies to integrate global environmental concerns into their mainstream programs and policies. We think that the GEF should act with great caution in this respect. Any effort toward "mainstreaming" should be strictly guided by the relevant international conventions with full respect for the mandates of the implementing agencies. We strongly oppose any attempts to impose conditionalities on the financing activities of the multilateral institutions under the guise of "mainstreaming." As is known to all, the most pressing task faced by developing countries is to alleviate poverty, develop their economy and raise the living standards of their people. The international cooperation in the environment arena must be guided by the fundamental principle of "common but differentiated responsibilities."

Statement of Colombia

Jairo Montoya

Director General of Multilateral Organizations,
Ministry of Foreign Affairs

On behalf of my delegation and in my own name, allow me to express our gratitude to the Government and the people of India for their kind hospitality. There could be no better scenario than this country, with its abundant history and values, to hold this important Assembly. India means independence, respect for culture, diversity, tolerance and struggle for development.

It is the same struggle of numerous people in the world in search of progress, solidarity and cooperation. Our main priority continues to be economic growth, resource generation and satisfaction of basic social needs as indispensable requisites to advancement in the path of sustainable development. Only under these premises will the preservation of environment have a sustainable basis, a social foundation and durable political legitimacy. The deliberations on the achievement and future of the GEF cannot be alien to these imperatives.

Almost seven years after launching the initiative to create a global environment fund and four years after its institutionalization, the conclusion is clear. The GEF is not an alternative anymore but has become a necessity. It is already an experimental attempt and an indispensable tool for international cooperation and development of partnerships. Moreover, it has constituted itself as a model for institutional reform by establishing a permanent coordination between institutions of the United Nations and Bretton Woods with specific objectives for developing countries.

The first stage of the restructured GEF has proved the potentiality of this mechanism. The number of projects has increased considerably. In a relatively short time, programming funds have supplied the available resources. For this reason, while welcoming the results of negotiations on the second replenishment of GEF resources, we should underline the importance of their expansion in future as a necessary measure to meet the increasing demand in the recipient countries.

In this context, in order to complete the first phase of GEF, it is of particular relevance to clear arrears, thus facilitating pending reimbursements and full implementation of projects. A high degree of political will and commitment is required for the financial basis of the Fund and its credibility to be consolidated.

Such credibility will be more sound if it is proved that GEF funds are a result of mobilization of new and additional financial resources and not just a reallocation or deviation of resources that the international community was already directing towards international cooperation for development. An evaluation in this regard is a matter of priority.

In order that the GEF be consolidated as a basic mechanism of global sustainable development, the challenges it would face in the 21st century are multiple. As a matter of priority, my delegation would like to formulate some proposals to be incorporated in the declaration of this Assembly:

1. Shareholders' participation, in particular through local communities, in project development and implementation, should be promoted and strengthened as a main basis to achieve greater commitment, public awareness and a greater project sustainability.
2. There is a need to reinforce the focal point activities so as to facilitate coordination with implementing and executing agencies as well as with those responsible for project implementation at the local level.
3. The GEF project cycle should be subject to adjustments, with a view to facilitating procedures, thereby reducing time and speeding access to resources.
4. Implementation of the incremental cost concept should be made flexible, so that the Secretariat, in consultation with implementing agencies and the Secretariats of the Conventions, expedites the required work in order to facilitate the submission of recommendations to the GEF Council.
5. As mentioned earlier, while welcoming the results of the GEF second replenishment, the need for new and additional resources should be emphasized to meet the increasing problems of and threats to the global environment.

Four years ago, during the negotiations of the constituents of the GEF, the necessity of creating this Assembly was acknowledged on the basis of having a supreme, representative, participating, transparent and democratic organization. This is the first time such an experiment for making decisions has been carried out. Let us not lose this opportunity, and make this Assembly a success. Let us propitiate a result by which the interests of all participants are

integrated in a final consensus. This will be the only option left for the GEF and its institutions to come out politically strengthened, with a clear vision into

the 21st century. It will also be the best homage to New Delhi and its people, to their generosity and efforts in making this event a magnificent one.

Statement of Côte d'Ivoire

Dieudonné Essienne
Ambassador to India

La tenue de la présente Assemblée du Fonds pour l'Environnement Mondial, m'offre l'agréable occasion de remercier au nom du Gouvernement ivoirien, le peuple et le Gouvernement de l'Inde, pour toutes les marques d'attention dont ma délégation et moi-même sommes l'objet depuis notre arrivée dans ce grand et beau pays.

Permettez-moi, Monsieur le Président, de vous adresser mes sincères félicitations pour votre brillante élection à la tête de cette Assemblée.

Je tiens également, à manifester ma profonde reconnaissance aux membres du Secrétariat du FEM, pour les efforts déployés en vue de faire de la rencontre de New Delhi, un cadre propice de discussions et d'échanges francs.

Le Fonds pour l'Environnement Mondial, est en effet, un mécanisme financier dont nous avons pour la plupart, souhaitée la création dans la mouvance des négociations de la Conférence des Nations Unies sur l'Environnement et le Développement tenue en juin 1992 à Rio de Janeiro.

L'avènement de cet Instrument financier dont l'objectif fondamental est le financement des projets environnementaux pour la protection et la sauvegarde de l'environnement dans le monde, est intervenu en 1990.

Depuis cette date, les structures chargées d'animer le mécanisme du Fonds de l'Environnement Mondial, ont engagé différentes démarches pour favoriser l'accès des pays éligibles, aux ressources de ce Fonds.

Je voudrais à cet effet, signaler que mon pays a participé régulièrement aux réunions du Fonds pour l'Environnement Mondial depuis sa création en tant que pays donateur et bénéficiaire, pour marquer sa détermination à oeuvrer aux côtés des autres nations du monde.

C'est pourquoi, le Gouvernement ivoirien, a apporté au Fonds une contribution financière qui s'élève à ce jour à 1.750.000 de DTS (Droit de Tirage Spéciaux), soit environ 1,4 Milliard de F/CFA, pour la phase pilote du Fonds pour l'Environnement Mondial et s'est engagé à

concurrence de 4.000.000 de DTS, soit environ 3,2 Milliards de F/CFA pour le Fonds pour l'Environnement Mondial-1.

Il convient également de souligner, qu'en contrepartie, la Côte d'Ivoire a tiré des avantages certains.

Il s'agit notamment:

1. Du financement effectif de cinq projets par le FEM, dont deux nationaux à savoir: le Contrôle et la réduction de la pollution des fleuves et de la lagune par les végétaux flottants; la conservation et la gestion des Aires protégées (coût: 29 millions de dollars américains) et trois régionaux concernant: la Vulgarisation de l'élevage de ranch ou de gestion participative des ressources naturelles et de la faune (Côte d'Ivoire et Burkina Faso), la Réduction des émissions de gaz à effet de serre grâce à l'amélioration de l'efficacité énergétique des bâtiments (Côte d'Ivoire et Sénégal); le Contrôle de la pollution des eaux et la conservation de la biodiversité de l'écosystème marin du Golfe de Guinée (Côte d'Ivoire, Bénin, Cameroun, Ghana, Nigéria et Togo) (coût: 16,5 millions de dollars américains), soit au total 45,5 millions de dollars.

2. Du financement des projets des Organisations Non Gouvernementales (ONG) de Côte d'Ivoire pour la phase pilote et la phase opérationnelle pour lesquelles un montant total de 800.000 USD a été mobilisé.

Le constat qui précède et l'exemple de mon pays, montrent combien la volonté commune de coopération et la collaboration agissante qui ont jusqu'à présent animé l'ensemble des pays participants au Fonds pour l'Environnement Mondial, peuvent aider à résoudre aux niveaux national et régional, les problèmes liés à la conservation de l'environnement au niveau mondial.

Je voudrais donc, au nom du Gouvernement ivoirien, remercier les pays donateurs, qui ont poursuivi leurs efforts, même au plus fort de la crise économique qu'ils ont traversé, afin de permettre au Fonds pour l'Environnement Mondial, de disposer de

moyens conséquents pour répondre à l'attente légitime des pays bénéficiaires.

Il importe toutefois, de veiller au maintien de la rigueur et de la transparence qui ont prévalu dans l'affectation des ressources mobilisées auprès des donateurs. En effet, au moment où le Fonds pour l'Environnement Mondial aborde un tournant décisif dans sa croissance, il est indispensable que ses structures s'adaptent aux nouvelles exigences de la coopération internationale guidée par la mondialisation et la globalisation du village planétaire auquel nous appartenons tous.

C'est pourquoi, je me réjouis de savoir, que tous les pays participants au Fonds pour l'Environnement Mondial ici présents, soutiendront les conclusions et les résolutions pertinentes qui nous ont été transmises

par le Secrétariat, à l'issue de la onzième session du Conseil d'Administration du Fonds.

Je voudrais enfin, souligner ici, que le Secrétariat du Fonds pour l'Environnement Mondial, a réalisé un travail immense qu'il convient d'encourager, tout en l'exhortant à se concentrer sur les défis nouveaux qui émergent. En effet, l'harmonisation des actions conduites par les trois Agents d'exécution, ainsi que la recherche de synergies opérationnelles, à travers notamment, la promotion de cofinancements impliquant de façon idoine le secteur privé, s'avèrent primordiales à réaliser. C'est à ce prix que le Fonds pour l'Environnement Mondial, s'affirmera comme le mécanisme financier le mieux approprié pour soutenir l'humanité dans sa quête d'un développement économique et social durable.

Statement of Cuba

Humberto Arango Sales

Director, Ministry of Science, Technology & Environment

It is an honor for me to address this assembly as a representative of the Republic of Cuba, in whose name I thank the Government and the people of India for their excellent organization and for the hospitality that they have shown us.

We are present at what is unquestionably a remarkable occasion, which brings together more than 100 countries united in an effort to determine—jointly and sovereignly, and on the basis of mutual respect—the destiny of resources (still, sadly, insufficient) to be used for the financing of programs and projects that are country driven, based on national priorities, and undertaken in support of sustainable development.

As was recognized last June at the special session of the United Nations, the picture that we are presented with today, 5 years on from the Rio Summit, is not at all encouraging. And yet the challenge facing humanity is even more hazardous and complex.

The differences between developed and developing countries are increasingly significant. Poverty and the deterioration in the quality of life have become more intolerable. How can we ensure, then, that human beings genuinely become the central focus of sustainable development? We must make urgent changes in patterns of production and consumption; we must promote equitable distribution; and we must promote the transfer of environmentally sound technologies,

on a concessionary basis. This will require states to show the necessary political will, solidarity, and fairness, in line with the principle of common but differentiated responsibility adopted under the Rio declaration.

The GEF must set an example for the application of these principles, and must distinguish itself by the transparency, universality, and flexibility of its operations. It must grant unconditional access, for all of its participants, to new and additional resources that are contributed to the Facility according to the quality and relevance of the programs and projects approved, and with due attention given to national priorities and environmental benefits.

The relationship between the GEF and the Conventions must be improved. The Facility has not, however, been endowed with the status of a permanent financing mechanism, a status that is necessary if it is to be able to respond to the priorities of the Conventions in an increasingly coherent manner and within shorter time periods. The role assigned to the GEF as a financial mechanism must be better understood, and more visible, in order that the mandate given by the conferences of the parties to the Conventions may be fulfilled.

With a view to supporting the attainment of global benefits for the environment, we believe the number of regional or sub-regional projects associated with the focal areas of the Facility should be increased.

The presentation and approval of projects must be carried out in as simple a manner as possible, and the incremental costs must be evaluated with the flexibility needed to ensure that procedures used in calculating them do not become barriers to recipient countries seeking access to the Facility, nor limit the support for providing resources for the environment within developing countries.

We wish to support the decision to draw up a plan of action that will allow us to respond to the recommendations of the study on the overall performance of the GEF, and to convey the opinion of our delegation that the concept of ecological or environmental security must be precisely defined and adopted according to political realities, not in terms of financial mechanisms.

Statement of Denmark

Poul Nielson

Minister for Development Cooperation

The Global Environment Facility is a child of the Rio Conference. The GEF is still young, but it has already lived up to many of our expectations.

What then were our ambitions and expectations? We wanted to establish an innovative financial mechanism that would create global benefits by combining environment and economic development. Recognizing the inextricable interdependence, we put equal emphasis on the two to promote a truly sustainable development. GEF should also be innovative in combining the expertise and the capacities of major existing institutions and in making global interests meet with the needs of local communities and national priorities.

GEF has done just that. It is worth recognizing the success. Even more so since the international economic context and the downward trend in ODA has not been the most conducive. In my own country, Denmark, we see this success in the actual performance of the GEF as the main reason why the replenishment discussions could be finalised with a result that gives hope for a strengthened GEF.

The basic challenge is to integrate environmental concerns into all policies, economic and sectoral. This is a challenge for all of us, developed and developing countries alike. Not an easy task: It is an ongoing, never-ending process. But we do see some real progress in Denmark, and we see the same in some of the developing countries with whom we have close bilateral cooperation.

GEF is confronted with the same challenge. The difficulties which we face at the national level, stemming from conflicting concerns, interests and priorities are, of course, reflected at the international level.

In GEF and the implementing agencies, we use the catchword "mainstreaming." Of course, it is difficult to secure the integration of environmental concerns in all parts of the World Bank, UNDP and their worldwide programs. I know from my own experience with the Social Summit that the same goes for the integration of social concerns. International organizations and their governing bodies must all concentrate more on mainstreaming and thus on securing consistency in their different policies. But that obligation lies even more squarely on member governments. We have a particular responsibility to ensure coherence of our policies and actions in different international organizations with their different agendas.

The challenge facing GEF, including the implementing agencies, is therefore basically a challenge facing us, the governments. We must recognize this, and we must do what governments must do. That would not only secure the success of GEF, which in itself is imperative, but it would have a much wider positive effect benefiting our societies and the world at large. Coming out of years of discussion, we now have a chance of doing the right things. That is the real win-win situation of this first meeting of the Assembly of the Global Environment Facility.

Statement of Egypt

Ibrahim Abdelgelil

Head, Egyptian Environmental Authority

It is my great pleasure and privilege to address this important first GEF Assembly. Please allow me to pay tribute to the Government of India and the organizers of this meeting for the warm welcome they have accorded us, ensuring that we work under the best conditions to bring this important meeting to function.

This meeting comes at a critical juncture of the GEF life span. Economic growth is at the center of any nation's development. Yet, emphasizing economic development irrespective of safeguarding the natural resource base and human development capacity of the country will be stripping the next generation's right to a clean and healthy environment. Environment, indeed, should be regarded as a basic human need equal in importance to food, shelter, and security. A successful development strategy is therefore one that minimizes the negative impacts of economic growth on natural resources and ensures that the well being of the people is both a means and end to development.

Environmental problems, such as air, water and soil pollution, respect no divisions of borders, class, color, gender, or religion. This multi-faceted nature of environmental issues has called for involvement of several partners, both nationally and internationally, in order to protect the global environment. The newly developed Egyptian environmental policy guidelines emphasize the importance of forging partnership at the national, regional and international levels. Thus, Egypt is fully committed to play an active role to protect the global environment, and to ensure a sustainable path for development to the Egyptian people as well as to mankind.

Egypt is a signatory to the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, and the Montreal Protocol for Ozone-Depleting Substances. Currently, great efforts are underway to build national capacity, improve institutional arrangements and develop national action plans to deal with those global environmental challenges. In doing so, we have success-

fully developed an excellent partnership with the GEF implementing agencies and Secretariat. To further maximize the benefits of this partnership, we would like to emphasize the need for wider dissemination of information on GEF project procedures and operational guidelines, which are still little known to a large segment of the stakeholders. We would also like to emphasize the need for increasing the number of focal areas and operational programs to cover areas of particular importance to developing countries such as land degradation and desertification. GEF has to play a more active role in claiming the linkages between, for instance, climate change, forest clearing, greenhouse gas sinks, and land degradation. These issues need to be better defined, as they represent real and serious problems in many parts of the world, especially the dryland in Africa.

Given the pressing local needs of developing countries, capacity building is urgently needed to help include global environmental issues into national planning for development. This is not a one-shot process, but it should be looked at as a learning curve—one that needs patience, determination, and resources. GEF is well placed to play an instrumental role in this regard, and to devise innovative ways and means to ensure free flow of information between different parts of the world. In this context, it is worth mentioning that South-South cooperation should be encouraged. In our view, GEF-supported projects should utilize to the maximum extent possible available local as well as regional expertise. Regional information networks and capacity-building programmes are still rare or missing. These would enhance national capacity building and ensure that projects will meet national as well as regional priorities.

Finally, recognizing the great efforts the GEF has contributed to its members, and the important role we envisage for it in the future, Egypt has and will continue to support the GEF in an effort to maintain a milestone initiative on the path for sustainable development.

Statement of El Salvador

Maria Luisa Rayna de Aquilar

Coordinator, Ministry of Environment and Natural Resources

Reciban un cordial saludo de El Salvador, el más pequeño país de Centroamérica y el de mayor densidad de población, con cerca de 300 habitantes por kilómetro cuadrado, condiciones que aunadas a una tradicional cultura de desarrollo de consumo, han contribuido a que este país, poseedor de gran riqueza natural, sufra una intensa explotación de sus recursos naturales y mantenga cifras de una degradación ambiental que se ha calificado como grave en la última década del presente siglo.

Consciente de esa situación, el Gobierno de El Salvador creó en 1991 su Secretaría Ejecutiva del Medio Ambiente y trabajó en la conformación de un mecanismo financiero local a través del canje de deuda por naturaleza, mediante convenios con los gobiernos de Canadá y los Estados Unidos de Norteamérica.

El año pasado (mayo/97), el gobierno creó el Ministerio de Medio Ambiente y Recursos Naturales, en un momento en que el país trabajaba en una reducción de las estructuras del Estado para buscar mayor eficiencia a través de los procesos de modernización y privatización. Al mismo tiempo, se conformó el Consejo Nacional para el Desarrollo Sostenible, presidido por el Vicepresidente de la República e integrado con la representación y participación directa de diferentes sectores de la sociedad civil.

Un proceso de consultas nacionales dirigido por nuestra Asamblea Legislativa concluyó, después de cuatro años, con el Decreto de la Ley del Medio Ambiente (mar/98), que contiene el mandato de Formular las Políticas Nacionales en materia ambiental y delega en el Ministerio del Medio Ambiente la inmediata elaboración de por lo menos cinco Reglamentos que daran operatividad a dicha Ley.

Por iniciativa directa del PNUD se ejecuta el Proyecto Capacidad 21 para conocimiento, divulgación e inserción de los convenios y acuerdos derivados de la Cumbre de la Tierra; asimismo, con la asistencia financiera de esa agencia del FMAM, actualmente el país trabaja en la formulación de sus Estrategias Nacionales de Cambio Climático y Diversidad Biológica.

A nivel regional, por gestión de la Comisión Centroamericana de Ambiente y Desarrollo, El Salvador participó en la Formulación del Proyecto de Corredor Biológico Mesoamericano, que ha sido base para lograr apoyo directo en la aprobación y future ejecución local de un proyecto sobre la biodiversidad presente en nuestros cafetales. Sin embargo, las asisten-

cias financieras que El Salvador ha logrado, han sido extremadamente discretas e insuficientes para mitigar la degradación ambiental salvadoreña.

La situación geográfica de El Salvador en el centro de la zona subtropical de América, favorece al país con una elevada diversidad biológica. Un inventario preliminar de recursos florísticos indica que este país posee especies endémicas de interés mundial.

En nuestra reciente Ley del Medio Ambiente se crea el Sistema Salvadoreño de Áreas Protegidas. El Salvador considera indispensable la consolidación de las áreas naturales de dicho sistema, ya que forman la base para una integración real dentro del Corredor Biológico Mesoamericano y para operativizar programas con criterios de sostenibilidad. La mayoría de esas áreas naturales están siendo sometidas a presiones para ser convertidas en zonas agrícolas y algunas han sufrido incendios forestales de manera intencional.

Las políticas que se formulan en este momento, involucran la participación de las ONG en la administración directa de las áreas protegidas e incluyen la participación de las comunidades rurales en la gestión del desarrollo sostenible. Para la consolidación del Sistema Salvadoreño de Áreas Protegidas, nuestro país necesita el urgente apoyo del FMAM.

El Salvador es signatario de los convenios internacionales en materia ambiental y forma parte del FMAM desde 1994. Las iniciativas de nuestro país para el logro de una asistencia financiera ágil y oportuna, estarían mejor favorecidas a través de un mecanismo que nos permita mayor participación dentro de la circunscripción a la que pertenece nuestro país. Aprovechamos esta Primera Asamblea General del FMAM, para demandar una representación rotativa de los países miembros de nuestra circunscripción, ya que los mecanismos de comunicación, información y participación han estado cerrados hasta la fecha.

En razón que los procesos de aprobación de fondos son considerados por los países como muy complicados y demasiado burocráticos, abogamos por una mayor asistencia del FMAM en la preparación de solicitudes y gestiones de financiamiento, en la que se tomen en cuenta criterios de equidad y cuyo enfoque esté dirigido prioritariamente hacia los países que han recibido menos asistencia y recursos financieros del Fondo.

El Salvador agradece la hospitalidad de la India y las finas atenciones recibidas de todas las personas encargadas de organizar esta Primera Asamblea General del FMAM.

Statement of Finland

David Johansson

Ambassador, Ministry of Foreign Affairs

Mr. President, my delegation wishes to congratulate you upon your election to preside over this Assembly. My delegation also wishes to join all other delegations in expressing our appreciation to the Government of India for hosting this Assembly as well as for all hospitality and warmth accorded to us during our stay in your great country.

The issues to be addressed by this Assembly are serious and are at the top of the global agenda. At stake is nothing less than the survival of our planet.

One major issue is worldwide poverty. Poverty in combination with an increasing competition for meagre natural resources brings about a vicious circle of overexploitation and further environmental degradation and deeper human misery. Our aim is to break this circle by enabling poor communities to participate and to be engaged in productive activities, based on a sustainable use of local resources, for their own benefit, providing gradually improving livelihoods, employment, income and economic growth. In an increasingly interdependent world, poverty is a global issue. Combating poverty brings global benefits. Here also GEF has a role to play.

Another overarching issue affecting the security of our common future is the unsustainable consumption and production patterns prevailing in industrialized countries and other societies experiencing fast economic growth and rapid urbanization. To a large extent, they are also characterized by overexploitation of available land, water, energy and industrial raw materials and by unsafe disposal of waste. Present trends point to an increasing pollution of groundwater, lakes, rivers and coastal waters, causing serious health hazards in densely populated areas and irreparable damage to affected ecosystems.

The threats of climate change and disruptions of weather patterns caused by unsustainable energy consumption and greenhouse gas emissions have been on our agenda for some time. So have the threats to our biosphere and life on earth caused by biodiversity loss and unsustainable exploitation of sensitive ecosystems. For the same reasons also, protection of the vital ozone layer remains on our agenda. A major new emerging issue is the precarious state of the world's freshwater resources. In certain countries, groundwater aquifers are gradually being depleted due to excessive

and unsustainable demand. In other areas, watersheds are being degraded by deforestation and other unsustainable land use practices, which are causing severe water shortages. Urgent actions are required to assess status and present trends so as to provide guidance for strategic actions on all levels—local, national, river basin-wide and global. Land degradation is another major issue of global significance.

All these issues and present trends are threats to worldwide security. In certain cases, they are at the core of current violent conflicts within countries and between countries.

The GEF has been constituted to address these issues and to catalyse action, to bring about global benefits—in addition to national and local—and to leverage increased finance—international and national, public and private. Finland would like to see more development and adoption of environmentally appropriate and clean technologies in developing countries and countries in transition. The prime driving force behind transfer of technology and know-how is the business enterprise sector. Finland therefore welcomes the recommendations that GEF should do more to catalyse action in this sector. Involvement of the business sector is also a precondition for achieving the objectives set in the Climate Convention for joint implementation, the establishment of a clean development mechanism, as well as for emission trading between countries in the future.

The evaluations and reviews which have been carried out to enable this Assembly to assess GEF's performance point towards satisfactory progress so far in setting up the Facility and in the adoption of rules for governance and strategic direction of its operations. However, this is only the beginning. The needs are by far in excess of the means so far.

Finland is pleased to note the successful conclusion of the second replenishment of GEF resources and the policy recommendations agreed upon. With increased resources, GEF can do more. Another essential precondition to sustain the gains so far is to make GEF a permanent financial mechanism for the two major Conventions which it now serves on a temporary basis. Such a decision by the two COPs, respectively, would further strengthen the confidence gained by GEF so far and the ultimate benefit from its operations.

Statement of France

Philippe de Fontaine Vive

Director, Ministry of Economy and Finance

Permettez-moi tout d'abord de remercier le Gouvernement Indien pour son accueil.

Le fait de tenir notre assemblée dans un grand pays, engagé depuis longtemps dans la lutte pour la protection de l'environnement mondial et confronté aux mutations économiques et technologiques de son développement est à la fois un privilège et un atout pour nos travaux. Je remercie les autorités indiennes, le Secrétariat du FEM et les agences d'exécution pour l'organisation de cette assemblée, des réunions associées et particulièrement pour les visites de projets prévues après nos réunions. C'est en effet en approchant ainsi la réalité de l'action du FEM que nous pourrons orienter efficacement ses politiques, tout en vérifiant la justesse de son principe fondateur: le lien étroit qui doit être fait entre le développement économique et la protection de l'environnement mondial.

Je suis particulièrement heureux de m'exprimer au nom de la France à l'occasion de la première assemblée du Fonds pour l'environnement mondial, dont la création fut proposée il y a déjà neuf ans par mon pays avec l'Allemagne.

Le Fonds réunit aujourd'hui plus de 160 membres, dont 108 sont ici représentés. Cette mobilisation est à la hauteur des enjeux de l'environnement mondial. Elle atteste de la volonté de tous nos pays de mettre en oeuvre les engagements politiques pris à Rio puis dans le cadre des Conventions. Elle témoigne de la place centrale qu'occupe le Fonds dans la réalisation concrète de ces engagements, dans l'expression de la solidarité entre pays industrialisés et pays en développement pour protéger ensemble l'environnement mondial, et dans l'intégration indispensable de ces préoccupations dans le financement du développement.

Cette assemblée est un moment essentiel pour notre mécanisme, car elle permet pour la première fois à chacun de ses membres d'adresser directement ses recommandations à l'ensemble de la "famille" du FEM ici réunie. En tant que pays membre du Conseil, la France sera donc particulièrement attentive aux messages de cette assemblée et s'efforcera de les mettre en application au sein du Conseil.

Je voudrais pour ma part souligner trois idées essentielles, qui reflètent les liens étroits qui ont toujours existé entre la France et le FEM. Ces trois idées sont la confiance, l'exigence d'une constante amélioration,

l'ouverture aux besoins de l'environnement mondial.

La confiance des pays membres est essentielle au fonctionnement de tout mécanisme financier. Le FEM a su acquérir et mériter celle de ses membres en construisant ses compétences, en élaborant dans des domaines très innovants, à partir de données limitées, un ensemble de projets, de politiques de financement, d'analyses scientifiques et techniques qui sont sans équivalent au monde. Ce résultat est l'oeuvre commune des travaux menés avec opiniâtreté, constance et professionnalisme par le Secrétariat, les agences d'exécution, le Conseil Scientifique et Technique, sous l'autorité d'un Conseil équilibré entre bénéficiaires et donateurs.

La reconstitution des ressources du Fonds est aussi le témoin de la confiance des pays donateurs. Dans un contexte général de difficultés budgétaires, la reconstitution du FEM est la première reconstitution de Fonds multilatéraux depuis plusieurs années à connaître un accroissement substantiel des ressources mobilisées. Ce résultat très satisfaisant manifeste la priorité donnée aux financements du FEM.

Je souhaite que cette confiance et cette consolidation soient portées par l'ensemble des membres dans les différentes enceintes internationales concernant l'environnement mondial.

L'exigence d'une amélioration constante de l'efficacité du FEM est ma seconde préoccupation. L'évaluation générale a fait apparaître quelques points faibles qu'il nous faut améliorer. Je souhaite donc insister sur les quelques objectifs qui me paraissent les plus importants:

- Une plus grande appropriation du FEM par les pays bénéficiaires du Fonds paraît être la première priorité. L'accès aux financements du FEM, la communication de ses préoccupations, les échanges au sein des circonscriptions de pays bénéficiaires doivent être facilités pour permettre à ces pays d'être plus directement impliqués dans l'activité du FEM.

- La volonté d'un instrument léger, intégré dans le financement du développement, demeure essentielle. L'intégration des préoccupations et des financements du FEM dans les programmes de développement des agences doit être notre but, en conservant à la structure même du mécanisme son caractère modeste et économe et en renforçant la rapidité de ses procédures.

- La spécificité de la protection de l'environnement mondial doit se traduire dans les critères et les modal-

ités d'intervention du Fonds. Ce dernier, pour chacun de ses domaines d'intervention, doit en effet chercher à bien faire ressortir le caractère additionnel des coûts et des financements;

■ Enfin, le FEM est confronté à un véritable défi pour développer et diversifier son portefeuille de projets. C'est notamment le cas pour les eaux internationales et la lutte contre la désertification (à travers les fenêtres actuelles du FEM). Je souhaite en particulier que le FEM puisse bénéficier de l'impulsion et des résultats de la Conférence Ministérielle de Paris, qui sous la Présidence de M. Jacques Chirac, Président de la République française, a réuni plus de 80 pays il y a deux semaines sur le thème de l'eau et du développement durable.

Ma troisième préoccupation, et c'est très volontairement que je termine par celle-ci, concerne la place du FEM dans l'organisation générale des questions d'environnement mondial.

J'ai eu le plaisir de connaître le FEM à ses débuts, de participer à sa restructuration et je suis en mesure de voir le chemin parcouru, les progrès considérables qui ont été accomplis et la richesse et la qualité de l'expérience acquise. Le FEM a selon moi fait la démonstration de ses capacités pour d'une part tra-

vailer avec rigueur et professionnalisme et pour, d'autre part, s'adapter à des défis nouveaux et faire preuve d'ouverture et d'initiative. Je ne mentionne que pour mémoire son rôle unique et précieux d'instance de dialogue et de coopération équilibrée entre les pays du nord et du sud.

Ces premières années ont naturellement été celles de la plus forte croissance et de l'éducation de base. Aujourd'hui, nous sommes réunis ensemble pour passer aux études supérieures. Notre prochaine réunion se tiendra durant le prochain millénaire, c'est dire l'ampleur des mutations que le Fonds doit faciliter pour notre bien commun.

La France apportera encore et toujours tout son soutien au FEM pour relever ces nouveaux défis. Elle est pleinement engagée en faveur de la protection de l'environnement mondial ici et au sein des conventions. Continuons à associer dans nos actions environnement et développement. La France le fait au plan multilatéral avec le FEM, elle le fait aussi au plan bilatéral avec le Fonds français pour l'environnement mondial. Je souhaite que ces fonds se complètent au mieux pour l'efficacité collective.

Je vous renouvelle tous mes vœux de succès pour ces années de reconnaissance du FEM.

Statement of Germany

Wolf Preuss

Director General, Ministry for Economic
Cooperation and Development

n behalf of the German Government, I wish to thank the Indian Government sincerely for being the host country for the first GEF Assembly. It is a great honor for me to be here and to be one of the representatives of the—currently—more than 160 GEF member states. We can be proud to recognize that the first GEF Assembly here in New Delhi has attracted representatives from the main international institutions, from many nongovernmental organizations, as well as from other major groups and scientific institutions from all over the world.

It is undoubtedly of great symbolic significance that this first Assembly of the GEF takes place in India. From the very beginning, India has been a key country in international efforts to link the preserva-

tion of globally important ecosystems with new approaches for economic, social and ecologically sustainable development. India leads developing countries in the elaboration of concepts to solve global problems. India is not only host to the first GEF Assembly, but also host country to numerous GEF model projects in the four focal areas. It is, by the way, also a partner in the first comprehensive cofinancing exercise between Germany and the GEF in a solar-thermal power plant in Rajasthan.

But I also want to express my appreciation to all who worked together in founding this innovative institution. In particular, I would like to thank those developing countries that strongly supported the GEF mandate during the first years and which actively participated in the restructuring of the GEF. This is a

very good example of how developing countries have taken their share in implementing the “common but differentiated responsibilities” agreed upon in Rio. Last but not least, I would also like to thank Mr. El-Ashry for his outstanding leadership and dedication in guiding the GEF.

From a global point of view, “environment and development are two sides of the same coin,” as we say in Germany. In other words, environment and development are closely linked together and cannot be separated. In Rio, an agreement was reached to translate the guiding principle of “sustainable development” into practical work. In order to ensure life on our planet for future generations, we agreed in Rio that the very limited resources should be managed in such a way that the needs of a growing world population can be safeguarded and satisfied today and tomorrow.

Last year in New York, the United Nations Special General Assembly took a look at what had been achieved in the past five years since Rio. Did we—in developing and developed countries—initiate steps which are required to achieve sustainable growth? Did we translate our responsibility for future generations into concrete action?

The following is quite clear: Increasingly, environmental problems are reaching global dimensions. They will worsen considerably over the coming decades if no decisive measures are taken. Humankind has reached a point where we risk destroying our natural basis for life. We have to realise that a sustainable improvement of living conditions is only possible if it fully encompasses the preservation of the very basis of life on earth.

I believe that during the last years many governments in developing and industrial countries have taken first steps to respond to this situation:

- Global Conventions on Climate Change, Biodiversity and Desertification have been concluded and since ratified by most countries.
- The guiding principle of sustainability has been incorporated in many action plans as well as in the development of national policies and their implementation.
- Many countries established framework conventions for the implementation of sustainable policies for energy and water. Subsidies were cut and prices applied which more fully reflect the value of these scarce resources.
- Progress was achieved in fighting poverty as a major cause of resource depletion and increased pollution in developing countries.

Germany is actively involved in these endeavours and thus contributing to safeguard our future. We make great efforts to create a positive link between economic, social and ecological interests. At the same time, we strongly support efforts of the developing

and transforming countries in Central and Eastern Europe towards sustainable development.

Germany also pursues these objectives by influencing the policies of the various multilateral organizations in which it participates. We take the call for mainstreaming the global environment into the regular procedures and programmes of the World Bank and UNDP very seriously and will continue to raise our voice in favour of the global environment in the respective governing bodies.

As the financial mechanism for the Conventions of Climate Change and Biodiversity, the Global Environment Facility is enhancing international cooperation. It is noteworthy that all parties to the Conventions agree jointly on the policies, program priorities and eligibility criteria for GEF’s activities. Recipient and donor countries have equal stakes in the GEF Council. This fact is a visible expression of our common will to cooperate internationally in the protection of the global environment and work towards sustainable development.

The concept of partnership is also reflected in the cooperation of the three implementing agencies, which should continue to be the operational pillars of the GEF.

The independent evaluation of GEF’s work shows that the efforts have been worthwhile: what has been achieved is tremendous. The basic principle of “incremental cost financing” has passed the test. The well-targeted allocations of GEF funds are able to mobilise substantial funds from other multi- and bi-lateral agencies, as well as channelling substantial private investments into sectors of global relevance. The increasing involvement of NGOs and the participation of all stakeholders in the projects and programmes show good results and should be appreciated. Furthermore, I would like to share with you that the impact of GEF-cofinanced activities on national policies is also considerable.

I am therefore very glad that the second replenishment of the GEF has brought satisfactory results. The volume of US\$2.75 billion available under GEF-2 is markedly above that of GEF-1, a rather pleasing fact in view of the difficult budget situation in many donor countries. I am also very glad that Germany remains the third largest donor.

The successful replenishment enables the GEF to continue to operate on a stable financial foundation. In light of the challenges ahead, this amount seems to be rather small. But it will remind the GEF management to use the funds most effectively and to search for financing arrangements with utmost leverage. The policy statement of the donors endorsed by the GEF Council should be considered as a message regarding the political will to further improve GEF’s efficiency. Although the evaluation concluded “that the GEF has

generally performed effectively,” there is still room for improvement. Many of the proposals have been taken up by Mohamed El-Ashry in his report to the Assembly, which I fully support. The evaluation clearly sets the direction which has to be taken. The evaluation pointed out that the success of the GEF—and I would say of any development financing agency—“ultimate-

ly hinges on political support in donor and recipient countries for mainstreaming global environmental concerns into development.”

Having said this, I wish the Assembly fruitful deliberations and the GEF continued success. Although it’s a small step, it is a step in the right direction for a better future for all of us.

Statement of Ghana

Lee Tandoh Ocran

Deputy Minister of Environment, Science, and Technology

On behalf of the Ghana delegation, I wish to join my colleagues who spoke before me to congratulate you on your election as the Chairman for the first general Assembly of the Global Environment Facility. Our sincere thanks go to the Government of India for graciously hosting this inaugural Assembly and the warm hospitality accorded to my delegation since our arrival in this beautiful city.

Ghana actively participated in the preparatory talks and the landmark United Nations Conference on Environment and Development (UNCED) held in Rio in 1992. Since 1993, Ghana has been implementing her National Environmental Action Plan (NEAP). This includes three components, namely:

1. Environmental resource management development.
2. Land and water management.
3. Coastal wetlands management.

The implementation of Ghana’s National Environmental Action Plan has generally been successful and will end this year, 1998. On behalf of the Government of Ghana, I would like to thank GEF for assisting our country in the implementation of the following:

1. Coastal wetlands management aspect of NEAP.
2. Global Environment Facility Small Grants Programme.
3. Mamprusi East District Solar Project.

The Coastal Wetlands Management Project is being funded by GEF (US\$7.2 million) and the Government of Ghana (providing US\$1.1 million counterpart funding). In spite of some unforeseen problems, some major achievements have been made. These include the following: (1) Reconnaissance and baseline field studies envisaged under the project have largely been completed; (2) Even though formal demarcation and gazettelement of the five proposed

Ramsar sites are not yet ready, the boundary descriptions have been done for all five sites (Keta, Songor, Sakumono, and Muni-Pomadze lagoons and the Densu delta); (3) Steady progress has been made in the establishment of school wildlife clubs and the holding of environmental awareness campaigns for the communities within the various project sites.

Under the GEF Small Grants Programme, twenty-two projects have been funded. The projects have been mainly in the GEF thematic areas of biodiversity and climate change. These include community afforestation, soil conservation, agroforestry, bushfire prevention and control, and ex-situ biodiversity protection demonstration schemes. Many communities have benefited from the GEF Small Grants Programme, and, since most of the programmes are ongoing, we urge GEF to favourably consider the extension of the programme in Ghana.

The Government of Ghana remains committed to the extension of electricity services to every community of five hundred people or more by the year 2020 under the National Electrification Scheme (NES). However, when the NES is completed, many remote communities will still lack electricity. The use of free-standing photovoltaic systems and photovoltaic/hybrid AC microgrid systems can provide valuable electricity services to these communities. The Mamprusi East District Solar Project being funded by GEF and the Ghana Government will provide a new model to address the electricity-based needs of off-grid communities in Ghana using environmentally friendly technologies.

The current drought facing our country has led to an unprecedented energy crisis in Ghana, Togo and Benin, since these three countries depend extensively on the Volta River hydroelectric dams located at Ako-

sombo and Kpong in Ghana. The Volta River and its tributaries traverse Burkina Faso, Côte d'Ivoire, Togo and Benin, which are interconnected on the main electricity grid in that subregion. The current low level of the Volta Lake has reduced the hydropower generated by about 70 percent. Inevitably, the countries affected have to turn to less environmentally benign alternative technologies. The consequential biodiversity loss is incalculable. Mr. Chairman, through you and the Chief Executive Officer of the GEF, I urge the GEF to seriously consider helping the affected countries jointly develop a Volta River Sustainable Plan and comprehensive Volta Lake Management Plan.

Ghana ratified and is implementing many environmental conventions, notably the Rio Conventions, the Biodiversity Convention, the Convention to Combat Drought and Desertification, and the United Nations Framework Convention on Climate Change. Ghana unequivocally supports the Global Environment Facility as a funding mechanism for the

four thematic areas of land degradation, international waters, biodiversity and climate/energy.

While we congratulate the GEF on its success and technical competence, Ghana's delegation wishes to draw the following issues to GEF's attention:

1. There is an urgent need for further clarification on the incremental cost concept and capacity building in project preparation report drafting consistent with GEF's requirements.
2. The GEF project cycle needs further improvements.
3. In order to promote ownership, GEF should facilitate the participation of local scientific and technical communities as appropriate.
4. Land degradation in Ghana is serious and pervasive. This subject requires serious consideration. Furthermore, clarifying the linkages between land degradation and other GEF focal areas is urgently required.

In conclusion, Ghana wishes to reiterate that its support is unequivocal.

Statement of Guatemala

Julio Martini

Ambassador to the United Nations

Permitame en primer lugar unirme a las múltiples manifestaciones de felicitación por su elección. Estamos seguros que bajo su acertada dirección lograremos los resultados esperados de esta primera asamblea general del fondo para el medio ambiente mundial. Mi delegación hace extensiva su felicitación a los dos co-presidentes.

También quiero expresarle nuestra felicitación al noble pueblo de India y su gobierno, por la merecida satisfacción de albergar esta histórica reunión; así como hacer especial reconocimiento al Señor Mohamed El-Ashry, funcionario ejecutivo principal del FMAM, por la organización de esta reunión, fiel reflejo de la impecable forma en que ha conducido nuestra joven y exitosa institución.

El FMAM ha sido muy instrumental en la definición que el Gobierno de Guatemala busca de las prioridades en el sector medio ambiente. Su trabajo ha sido relevante también a nivel del área centroamericana. Sus diferentes proyectos e iniciativas han sido determinantes en los procesos de análisis y foros de discusión.

Guatemala es uno de los países que necesita enfrentar grandes desequilibrios ecológicos. El Gob-

ierno ha puesto en práctica medidas concretas: la creación del Gabinete Ambiental, el Fondo Guatemalteco de Medio Ambiente, el Comité de Dirección de Políticas Ambientales y la Comisión Nacional de Implementación Conjunta. Tenemos la convicción que esta legislación ambiental y las nuevas instituciones creadas incidirán apreciablemente en detener el deterioro ambiental: la deforestación, la erosión de suelos, la pérdida de diversidad biológica y la contaminación.

La estrategia colectiva del FMAM y sus resultados, son una prueba más de que es necesario y posible abordar las problemáticas nacionales desde la visión multilateral. En mi país, son ejemplos claros tres proyectos actualmente en ejecución, los cuales además responden al modelo de cofinanciamiento:

■ La estrategia y plan de acción nacional de biodiversidad, que definirá las acciones prioritarias y mecanismos de implementación para conservar y usar la biodiversidad de manera sostenible en el contexto de desarrollo económico y los acuerdos de paz. Este proyecto permitirá dar cumplimiento a la convención de la diversidad biológica.

■ Preparación de la primera comunicación nacional y plan de acción sobre cambio climático, para la conferencia de las partes de la convención de naciones unidas sobre el tema.

■ El proyecto de conservación para el desarrollo sostenible Sarstun-Motagua, que comprende nueve áreas protegidas y seis corredores ecológicos con la participación de las comunidades en actividades productivas que generen ingresos y que a la vez conserven los ecosistemas naturales, en un área de 12,000 kilómetros cuadrados, en los cuales se encuentran varios ecosistemas naturales.

En el plano centroamericano, baste recordar la mención que el Señor Gustave Speth, administrador del PNUD, en su discurso del día de ayer, hizo del Corredor Biológico Mesoamericano de Reservas y Parques, calificándolo de un buen ejemplo de la coordinación entre las tres agencias implementadoras, PNUD, PNUMA y el Banco Mundial, agencias a las que aprovecho para dejar constancia de nuestro reconocimiento.

El análisis de los estudios que nos han sido presentados, nos permite destacar como muy procedente manifestar nuestro apoyo, especialmente a los esfuerzos del FMAM en:

- Asegurarse que los proyectos a ejecutar respondan a las prioridades nacionales de los países
- La exitosa realización de la segunda reposición de recursos del fondo fiduciario.

■ Asegurarse que los países se identifiquen con los objetivos de los proyectos.

■ Mejorar las actividades que sensibilizan al público mediante la diseminación de información producto de las lecciones recogidas.

■ Investigar la forma de hacer más flexible y fácil para los países receptores el proceso de determinación de los costos incrementales.

En general, la confianza que el FMAM ha conquistado de los 163 países miembros, merece el apoyo irrestricto de esta asamblea a las recomendaciones formuladas por el por funcionario ejecutivo principal en su documento GEF/A. 1/8 de fecha 31 de Marzo pasado.

Es también muy importante que el FMAM fortalezca los contactos y las comunicaciones con los grupos de representados. En este sentido, sería bienvenida su acción para estimular el mejor funcionamiento de la representatividad en las circunscripciones. La transparencia y participación son fuente de una mayor confianza; ya que órganos como el consejo del FMAM fueron creados para el equilibrio en la toma de decisiones y en la representación de los miembros.

Guatemala, al igual que los países de centroamérica, desean que la organización les permita participar más intensamente en la ardua labor del FMAM en apoyo de los esfuerzos de hacer del desarrollo sostenible una realidad.

Statement of Guinée

Elhadj Ciradiou Balde

Counselor, National Council for the Environment

La Guinée est située à l'Ouest de l'Afrique Occidentale; elle couvre une superficie de 245.857 km². Bordée à l'Ouest par l'Océan Atlantique, elle compte plus de 300 km de côte. Elle partage des frontières communes avec 6 pays: la Guinée Bissau au Nord-Ouest, le Sénégal et le Mali au Nord, la Côte d'Ivoire à l'Est, la Sierra-Leone et le Libéria au Sud.

La Guinée compte 7,2 Millions d'habitants selon les résultats de recensement général de la population et de l'habitation réalisée en décembre 1996, contre 4,7 Millions d'habitants en 1983, le taux moyen d'accroissement annuel de la population est de 2,8%.

Si cette tendance se maintient, la population atteindra en l'an 2010 un chiffre de 9,6 Millions d'habitants.

La Guinée est divisée en quatre régions naturelles au relief, au climat et à la végétation bien distincts:

- La Basse Guinée.
- La Moyenne Guinée.
- La Haute Guinée.
- La Guinée Forestière.

La dégradation de l'environnement se ressent en Guinée sous toutes les formes: la déforestation, la pollution de l'eau, la pollution atmosphérique, etc. Mais l'Etat guinéen fournit des efforts pour remédier à cet état de choses.

A titre d'exemple, la Guinée est dotée d'un important cadre juridique en matière de protection de l'environnement qui comprend entre autres: le code de

l'environnement, le code domanial, le code de l'eau, le code forestier, le code maritime, le Plan National d'Action pour l'Environnement (qui est actuellement le cadre de référence pour la protection de l'environnement en Guinée).

Mais les moyens financiers sont insuffisants pour mettre en oeuvre cet arsenal juridique, d'où la nécessité pour la Guinée de renforcer la coopération avec le FEM.

ETAT DE COOPÉRATION DE LA RÉPUBLIQUE DE GUINÉE AVEC LE FONDS POUR L'ENVIRONNEMENT MONDIAL-FEM

Le FEM créé en 1991 et restructuré en 1994, a commencé à impliquer la Guinée dans son processus de mise en oeuvre depuis son premier Atelier sous régional de Bangui (République Centrafricaine) en 1991 par la participation du Point Focal National de la Guinée audit Atelier.

Dès lors la Guinée avait soumis certains projets au FEM pour financement, parmi ces projets, celui de la monographie de la diversité biologique dont sa première phase a été financée en 1995 par le FEM, en collaboration avec le PNUE (Programme des Nations Unies pour l'Environnement).

La première phase de ce projet a produit un document reflétant l'état de la connaissance documentaire de la diversité biologique du pays et les préoccupations des gestionnaires et acteurs des processus de conservation et de mise en valeur des ressources naturelles grâce à une revue la plus exhaustive possible de la documentation disponible par la collaboration étroite avec tous les détenteurs de l'information.

Par ailleurs, deux projets ont été adoptés pour la Guinée en 1997, ce sont:

1. La deuxième phase du projet sur la diversité biologique pour une durée de 1 an. Ce projet procédera à l'évaluation des informations réunies par la première phase et l'élaboration des stratégies et plans d'action de conservation et l'utilisation durable de la diversité biologique.
2. Aide à la Guinée pour la préparation de sa première communication nationale au titre de ses engagements en vertu de la Convention Cadre des Nations Unies sur les Changements Climatiques pour une durée de 2 ans.

Ce projet permettra à la Guinée de préparer sa première communication nationale à la Conférence des parties à la Convention Cadre des Nations Unies sur les Changements Climatiques (CCNUCC). Le projet comprendra les éléments suivants:

1. Un inventaire des gaz à effet de serre, mener selon les directives adoptées par la Conférence des parties.
2. Une évaluation des incidences potentielles des changements climatiques en Guinée.
3. Une analyse des mesures qui permettraient de réduire l'augmentation des émissions des gaz à

effet de serre en Guinée et à ce pays de s'adapter aux changements climatiques.

4. Préparation d'un plan national pour remédier aux changements climatiques et à leurs incidences défavorables.

5. Préparation d'une première communication nationale de la Guinée à la Conférence des parties.

En dehors de la préparation de la communication de la Guinée à la conférence, le projet devrait susciter une prise de conscience et une meilleure connaissance des questions liées aux changements climatiques en Guinée et devrait améliorer la concertation, l'échange d'informations et la coopération entre tous les acteurs, notamment les administrations, les organisations non gouvernementales, les milieux universitaires et le secteur privé.

En outre, la Guinée est impliquée dans la mise en oeuvre d'un projet sous régional dans le cadre du programme d'activité mondiale pour la protection du milieu marin. Ce projet doit être financé par le FEM.

Il consistera en l'inventaire des sources et activités de pollution marine d'origine terrestre en vue d'amener les gouvernements concernés à adopter des stratégies, des mesures efficaces et réelles de protection dans le respect des traités internationaux de développement durable de l'environnement marin et de ses ressources biologiques.

La Guinée a été informée par le PNUE de l'idée de projet du centre d'information sur les projets FEM intégré au système d'information infoterra sous l'autorité du Point Focal National du FEM dans le cadre de la création d'un réseau pilote d'information du FEM, et la Guinée avait exprimé son souhait d'appartenir aux pays pilotes, car elle fait partie des premiers pays qui participent à la mise en oeuvre du FEM.

Trois autres projets ont été soumis au FEM pour financement et qui n'ont pas eu de suite, ce sont:

1. Le projet sur la participation populaire à la lutte contre la désertification au Nord-Est de la Guinée en 1996.
2. Le projet sur l'expérimentation des Unités de fabrication de la glace par énergie solaire pour les zones rurales en Guinée en 1997, dans le cadre de technique ISSAC (un nouveau système frigorifique solaire) favorable à la protection de l'environnement mondial.
3. L'idée de projet sur la conservation de la biodiversité des Monts Nimba classés site du Patrimoine Mondial en 1997.

La Guinée a notifié son engagement au FEM en 1994.

La Guinée accorde une grande importance au Fonds pour l'Environnement Mondial, c'est à ce titre qu'elle a mis la structure du FEM au niveau de son Conseil National de l'Environnement en 1997 et nommé un Coordonnateur qui est en même temps le Point Focal National du FEM.

Le Point Focal National du FEM continue à informer et à sensibiliser les différents Ministères, le secteur privé, les ONG, etc. sur l'élaboration des projets à soumettre au FEM pour financement.

LES DIFFICULTÉS RENCONTRÉES PAR LE POINT FOCAL NATIONAL ET POLITIQUE DU FEM POUR LA MISE EN OEUVRE DU FEM

- La Guinée participe peu aux différentes rencontres du FEM.
- La plus grande partie des documents de travail parviennent en anglais, or la langue officielle de travail en Guinée est le français, donc le problème se pose pour l'accès rapide à l'information.
- Le Point Focal National n'a pas les moyens propres d'équipement et d'information, à savoir: ordinateurs, fax, internet, etc.
- Le micro financement du FEM, n'est pas encore opérationnel en Guinée.

LES PROPOSITIONS ET SUGGESTIONS AU FEM

- La Guinée sollicite auprès du secrétariat du FEM la tenue en Guinée d'une rencontre sur le FEM, afin que tous les acteurs concernés par la protection de l'environnement mondial soient informés, sensibilisés

d'avantage sur l'existence du FEM, ses procédures et modalités d'intervention.

- La Guinée souhaite participer régulièrement aux rencontres sur le FEM.
- La Guinée souhaite que le FEM accorde une formation de courte durée par exemple trois mois en anglais aux points focaux nationaux connaissant bien le mécanisme du FEM mais qui sont limités en anglais, car la plupart des documents du FEM sont rédigés intégralement en anglais.
- La Guinée souhaite que les documents du FEM volumineux rédigés en anglais soient résumés en français, cette proposition a été déjà exprimée par la Guinée lors de l'Atelier sur le FEM de mai 1997 à Bamako.
- La Guinée sollicite auprès du FEM une assistance financière pour l'équipement de son Point Focal National.
- La Guinée souhaite que le programme micro financement du FEM soit opérationnel en Guinée.
- Les lettres d'invitation aux réunions du FEM, doivent indiquer explicitement les points focaux nationaux qui maîtrisent le mécanisme du Fonds dans les pays bénéficiaires au lieu de dire "Représentants ministériels ou de haut niveau connaissant bien le FEM."

Statement of India

Suresh P. Prabh

Minister of Environment and Forests

On behalf of the Indian people, I extend a very warm welcome to all of you. I hope that your stay in the historic city of Delhi will be a memorable one. I am happy that this Assembly meeting provides us a forum where we can have a meaningful dialogue on the operations and expectations from GEF, particularly from the developing country perspective. Mr. Chairman, on behalf of the Indian delegation, allow me to congratulate you on your election as Chairman of the Assembly. All of us are confident that under your able guidance, this meeting will be a great success.

The Rio Summit of 1992 brought into focus the relationship between environment and development. It acknowledged that sustained economic growth and eradication of poverty constituted overriding priorities for developing countries. It also recognized that meeting the environmental objectives of Rio would

place a great financial burden on developing countries, for which they would need considerable technological and financial assistance. GEF has emerged as one of the most important funding mechanisms to deal with environmental problems.

Independent India has traveled a long way on the path of modernization and industrialisation. From the very beginning, we are committed to the goal of providing a better quality of life to our citizens with better health care, widespread education, clean drinking water, housing, etc. Despite our many and varied problems, we have still been able to take very impressive strides in the improvement of the socioeconomic conditions of our people, even though much still remains to be done. The economic development that has been achieved has brought in its wake many unwanted consequences with effects on our natural resources. The forest cover has diminished, even

though marginally. Our rivers are affected by pollution. Mining and other industrial activities have led to the degradation of land, and air pollution is a matter of major concern in the urban areas. Our success would be determined in our ability to meet these and other challenges.

Despite a planned approach and commitment of substantial resources for meeting civic needs of our urban areas, the increase in urban population has put tremendous pressure on civic amenities. Management of municipal and industrial waste water as well as solid waste is a matter of urgent concern.

Another area of priority is the energy requirement for the large population of our country. On the one hand, we are making our best attempts to supplement the heavy dependence on biomass resources for rural energy and emphasising the importance of a shift from the biomass resources for energy to commercial energy whether from hydel or thermal sources. At the same time keeping in view the major environmental consequences of energy from these sources, we have also taken bold steps to limit emissions by appropriate environmental impact assessments of projects and the application of environmentally sound technologies. India greatly appreciates the funding available from GEF in this focal area, and I am happy to say that we have been able to pose several appropriate projects to GEF in the area of energy.

In spite of the pressure of a growing population, India has committed extensive resources towards conserving its extensive forests and wildlife. While nearly one-fifth of the total land area is covered by forests, we have before us the objective of achieving a further 13 percent forest cover. Through our widespread network of national parks and sanctuaries, we have been successful in the preservation of key species, such as the tiger and the elephant, in the face of many difficulties.

All these objectives are well supported by legislative and regulatory measures which are aimed at the preservation and protection of environment. Some of them are the Air (Prevention and Control of Pollution) Act of 1981, the Water (Prevention and Control of Pollution) Act of 1974, the Environment (Protection) Act of 1986 and the Forest (Conservation) Act of 1980. Besides the legislative measures, a National Conservation Strategy and Policy Statement of Environment and Development, a National Forest Policy and a Policy Statement of Abatement of Pollution have evolved. We are also in the process of formulating a National Action Plan on Conservation of Biodiversity.

Many important policies and programmes are in force which are geared to the task of protection of the environment. One of the biggest river cleaning programmes in the world has been taken up in our country starting with the Ganga basin, and now extended

to the entire country, in a programme known as the National River Action Programme. The programme has the objective of improving the water quality of rivers by treating the domestic sewage and industrial effluents before their discharge in the river.

On the issue of air pollution caused by vehicles, government has initiated various programmes such as tightening emission norms for new vehicles and introduction of cleaner fuels and catalytic converters for vehicles. The programme for the introduction of unleaded petrol and catalytic converters which presently covers only a few cities would be extended to all the cities.

India is also party to various environment-related conventions such as the Montreal Protocol on Ozone-Depleting Substances, the Framework Convention on Climate Change, the Convention on Biodiversity, Basal Convention on Transboundary Movement of Hazardous Wastes and the Convention to Combat Desertification, among others. India has been pursuing its commitments under the various Conventions vigorously by initiating various measures nationally and by taking several important initiatives in the region. To name a few, we hosted the First Asian Regional Conference on Desertification in India and the SAARC Environment Ministers Conference. The overall objective of GEF of addressing the important global issues under the various Conventions through its mechanisms is being carried out by India by the successful implementation of GEF projects.

India has initiated various projects with GEF assistance in the areas of energy efficiency, renewable energy and biodiversity. The GEF portfolio in India is diverse and varied. As of January 1998, a total of US\$142.38 million under GEF has been programmed for India. India is the second highest recipient of GEF funding. Under the Small Grants Programme, 24 projects have been funded to the tune of US\$300,000. Encouraged by the success and response to the programme, the second phase has commenced. India is in a unique position in that it is a donor as well as a recipient country. In 1994, India contributed around US\$9 million and has again pledged the same amount during the February 1998 replenishment consultation.

We are gathered here to review the GEF operations and to discuss ways of bringing about the required changes. With this objective in mind, I would like to make a few observations. I think we are all in agreement that the operational programmes under the GEF refer to dynamic sectors and activities. I would like to suggest that in the context of this dynamism, there is a need for looking upon the sub-programmes within the sectors with the required flexibility, while also keeping in mind emerging needs. We understand that GEF is working on programmes for new and emerging technologies which would get opera-

tionalised soon. The GEF mechanism has to be flexible enough to fund projects in areas of such emerging technologies.

Many of the developing countries are faced with the complex and difficult situation of dealing with the criteria of agreed full incremental costs calculated in terms of global benefits, which has remained elusive. India's general response has been that the concept should be made as flexible and pragmatic as possible. Especially when seen in the context of biodiversity applications, the nature of biodiversity valuation makes this task very difficult. There are further complicating factors, such as establishing a discount rate for biodiversity loss, valuing the benefits of biodiversity conservation and sustainable use, and lack of a complete understanding of the ecosystem structures and functioning. Another primary problem is the determination of a representative baseline cost. A simpler cost calculation method needs to be developed.

I would like to seek your indulgence for sharing our concerns on the lengthy procedures for project approvals. Normally, any project would have to be placed for the Council's approval at least three times, and the disbursement of funds sometimes takes as many as 2-3 years. There is a need for greater simplification and delegation of authority based on a pragmatic approach.

I would also like to point out that there is a need for greater flexibility in the GEF operational strategy. Strategies on important issues like vehicular pollution, ecosystem conservation, management of lakes, wetlands and mangroves, and integrated coastal management need to be fully operationalised early. There is a need for easier access to GEF funds. There is also considerable need for priority being given to national objectives. In vast countries like India and

many others, a single pilot or demonstration project in one area is hardly able to make an adequate impact within a short or medium timeframe. Here the solution does not lie only in replication, unless adequate resources are available. GEF should, therefore, consider adopting a suitable approach on a case-by-case basis. I would like to invite discussions on all these important aspects, which are viewed with great concern by the developing countries.

I have been informed that a large amount of investment has been generated through co-financing of GEF projects and that, on an average, GEF funding represents less than 20% of total project costs. While this is a laudable achievement on the face of it, it should be viewed against the background of decreasing international ODA assistance to developing countries. We strongly urge the developed countries to take account of this situation and to see whether in fact there is a possible diversion of ODA funds to GEF which would take away from any claim towards the avowed objective of providing new and additional funds.

An issue of great concern for the developing countries is the lack of fulfillment by the developed countries of their commitments at the Rio Summit regarding new and additional financial resources and the transfer of environmentally sound technologies. These commitments are also the underlying basis of all the important environmental Conventions also. Six years after Rio, we are today faced with the crucial realisation that we must readily and whole-heartedly face the global environmental challenges and accept the paramount need for concerted activities in order to address these challenges. Let us review the GEF work, keeping the spirit of international cooperation as our guiding principle for fostering action to protect the global environment.

Statement of Indonesia

Makarim Wibisono

Ambassador to the United Nations

Let me begin by extending my delegation's sincere gratitude on your assumption of the Chairmanship of this meeting devoted to the first Assembly of the Global Environment Facility. I would like to congratulate your distinguished colleagues in the Bureau on their respective elections. I would also like to convey my

delegation's profound gratitude to the people and the Government of India for hosting this important meeting and for the excellent facilities they have provided.

I hope that this Assembly will prove to be a very great success, and in this regard I sincerely thank Dr. Mohamed T. El-Ashry, the Chief Executive Officer

and the Chairman of the GEF, including his staffs for their kind efforts in making this Assembly possible.

Indonesia attaches great importance to the Global Environment Facility as a unique financial mechanism. After its inception in 1994 through the establishment of its instrument, the Global Environment Facility has made a great contribution to the developing countries in protecting the global environment with respect to global warming, pollution of international waters, destruction of biodiversity, and the depletion of the ozone layer. We have fully taken into account the success achieved by the implementing agencies, UNDP, UNEP and the World Bank, in responding to the needs of the beneficiaries.

Being critically affected by the unfortunate episode of El Niño Southern Oscillation, as a result of which Indonesia has received a much lower level of rainfall this year than the normal, we are in the danger of facing a drought-like situation in the recent months. We believe that the assistance and support provided by the international community, including the GEF, will help us in overcoming this problem. We also express our deep appreciation to the international community, especially the World Bank, UNDP and UNEP, for their kind assistance in combating the forest fire disaster in our country.

The United Nations deserves our special gratitude for its quick response to the recent forest fire raging in Indonesia. The UN Secretary-General's initiative to develop a coordinated international response to forest fire management in Southeast Asia had been well received at the UN Administration Coordination Committee. This is a good reflection of their understanding of our problems.

It is encouraging to note that the World Bank through the GEF has fully dedicated its efforts to assist Indonesia in safeguarding its future environment. Suffice it to say that, on biological diversity, the GEF has already initiated and supported the Kerinci Seblat Integrated Conservation and Development Project. This project is integrating park management and conservation besides taking local and regional development initiatives. Since this effort will stabilize land use outside the park by promoting local community and alternative livelihood activities, I sincerely believe that

the support by the GEF will tremendously improve conservation awareness, while at the same time provide training and extension services to the villagers, and ultimately would help in monitoring and evaluating biological diversity conservation and development projects in the regions.

Let me now turn briefly to our activities in meeting the climate change problem. Indonesia ratified the UN Framework for Climate Change Convention (FCCC) on August 23, 1994. In order to help fulfill its FCCC national commitments, Indonesia initiated two greenhouse gas (GHG) mitigation strategy studies. The Asia Least-Cost Greenhouse Abatement Strategy project, financed by UNDP/GEF, has examined Indonesia's GHG emission-reduction option in an Asia regional context. The relevance of photovoltaics as a greenhouse emissions abatement option for Indonesia is clear. In Indonesia, \$75 million of World Bank and GEF funds are financing the largest single photovoltaic solar home system project in the world, expected to reach 200,000 homes. This, I believe, not only reflects what the World Bank Group's mission has accomplished, but also accelerates technology transfer to a developing country, particularly in the area of renewable sources of energy. As a zero greenhouse gas-emitting technology, the solar home system has several options for meeting energy demands.

My delegation sees a great merit in promoting partnership as an important objective of the GEF. I believe that the real test of partnership depends on mobilization of sufficient financial resources, the provision of new and additional funding, and the transfer of environmentally sound technologies. We also consider that GEF projects and its policies should be in line with national needs and priorities. I believe this is a more effective way of bringing the environmental patterns of recipient countries closer to the GEF-implemented projects.

In conclusion, we earnestly hope that this Assembly will give a renewed and decisive momentum to the implementation of GEF programs. Only then can we jointly combat environmental problems through global partnership and mitigate the possible disasters in a more assured and confident manner for the mutual benefit and common future of mankind.

Statement of the Islamic Republic of Iran

Mohammad Javad Zarif

Deputy Foreign Minister for International and Legal Affairs

The emergence of a more propitious international environment following the collapse of the bi-polar world has provided the possibility for joint quest, on a global scale, for solutions to common problems facing humanity. Efforts towards setting standards of behavior in the post Cold-War era—based on the rule of law and common, but differentiated, responsibility of global actors—have gained momentum and aroused unprecedented enthusiasm over the past several years. As the first in a series of high-level world conferences held since 1990 to address a wide range of pressing issues, the United Nations Conference on Environment and Development was indeed a timely response to the formidable challenges involved in this field.

The Rio Summit and its outcomes, in particular Agenda 21, raised great hopes at all levels and created a great momentum towards the realization of sustainable development. As clearly underlined by the international community in the course of the UNGASS last year, the state of the world environment continues to deteriorate. In the words of President Khatami, addressing the recent ministerial meeting of the Regional Organization for the Protection of Marine Environment in the Persian Gulf area, “Today, the threats posed to the human life by the polluted environment are greater than those of destructive wars.” And yet, the global response seems to fall far short of the mark. While elaboration of international legal instruments and agreements has been pursued with unparalleled vigor, fulfillment of commitments undertaken in Rio and within the framework of Agenda 21—including in the field of environment protection—are yet to be realized and translated into practical action. Effective and meaningful protection of the global environment does indeed require provision of adequate financial resources and transfer of environmentally sound technologies and corresponding know-how, information and data to the developing countries.

Within this general framework, the establishment and restructuring of the Global Environment Facility can certainly be considered among the significant achievements of the international community in the field of joint efforts geared to the protection of environment. Although only 4 years old, it has a positive performance to its credit; a record to be cherished and preserved and, most certainly, to be further entrenched and strengthened.

The new GEF has been able to provide funding for projects in a large number of developing countries. The magnitude of the problem, however, calls for a more vigorous effort on a much larger scale. This first GEF Assembly provides us with a unique opportunity to discuss the policies and operations of GEF; its strengths and weaknesses; as well as possible ways and means to increase the effectiveness, quality, and efficiency of its activities. In this respect, I would like to bring the following points to the attention of this august gathering. In our view, their serious consideration by the Assembly is imperative for a stronger and more effective GEF.

Solid and timely replenishment of GEF, commensurate with global environmental goals and based on national priorities, must be ensured. Replenishment should not be linked to any other issue which may act, even inadvertently, as conditional in one form or another. In this respect, the major contributors must be urged to pay their arrears.

A more focused policy and program, together with an institutionalized scrutiny of the scope of the activities of the GEF-wide system, would render the Facility more practical and manageable. The thrust of the system must be to meet the requirements of operational activities of GEF—as mandated by the GEF instrument—rather than building a new “Center of Excellence.”

In addition to the four focal areas assigned to the Facility, there are other areas which enjoy international dimension, and hence, fall within the purview of its activities. Therefore, consistent with its mandate, GEF could and should examine the need to increase the number of focal areas and operational programs to include, inter alia, desertification and afforestation.

Incremental cost is a key concept in GEF financing. Despite lengthy discussions on this subject in the past and the approval of a decision by the GEF Council, it still continues to be a complex and controversial issue. In our view, supporting projects with both domestic and global environmental benefits would make the Facility more responsive to its mandate as well as to the real needs in the field. Our collective efforts towards harmonizing GEF projects with national sustainable development needs and priorities would accelerate the integration of environmental concerns into the national development policies and programs. This would further contribute to the post-project sustainability of GEF-supported projects. Against this back-

drop, a flexible approach to incremental costs that allows a balance between GEF objectives and national priorities is recommended. In other words, without prioritizing the concerns of one or the other, a balanced approach must constitute the frontispiece of GEF policies and operations.

The lengthy and complicated process of project cycle and approval continues to impede the access of recipient countries to GEF funding. Facilitated and simplified procedures are necessary to expedite this process. In this connection, any condition which further complicates this process should be avoided.

The transfer of environmentally sound technologies should constitute one of the main areas of focus and attention of the Facility. However, a number of concerns have to be borne in mind. While sustainability of innovative or risky projects involving high-tech or state-of-the-art technologies needs to be carefully examined, it seems advisable for the Facility not to recommend or encourage the use of untried technologies or those which might have adverse social and economic impacts on the recipient countries. Technological approaches should, in any eventuality, be consistent with country-driven priorities. Moreover, recipient countries should be assisted, including through expansion of national capacity, in developing, manufacturing and maintaining technologies which would certainly help ensure long-term success of the efforts undertaken. Put in a nutshell, limited GEF resources should be provided to cost-effective programs and proved technologies with ensured effectiveness and efficiency.

To sum up, let me just catalogue the issues which we believe require our collective focused attention and concerted efforts of the Facility. Though not comprehensive, the list of issues includes: new and additional financial resources; transfer of environmentally sound technologies; expansion of the areas of GEF support; balance between local and global benefits of GEF-supported projects; mobilization of private funds as supplementary to GEF resources; ensuring financial sustainability of GEF projects; separation of GEF resources from allocations to development cooperation; strengthening of the role of UNEP; simplifying and shortening the procedures for the GEF project cycle; adoption of a more flexible approach to the concept of incremental costs; effective participation of recipient countries in various stages of the project development process as well as in the calculation of incremental costs; increased transparency in all GEF activities; a higher degree of consistency with the guidance of the COPs of Conventions; and extension of support to the improvement of existing technologies, such as fossil fuel technologies, as well as to the promotion of the use of cleaner sources of energy, such as natural gas.

In conclusion, let me express our most sincere gratitude and appreciation to the people and Government of India for their warm hospitality and excellent arrangements for this gathering and wish every success for this Assembly in the pursuit of its noble objectives. I cannot close this statement without a word of our appreciation for the devotion, perseverance and valuable contribution of Dr. Mohamed El-Ashry, the distinguished Chief Executive Officer and Chairman of the Global Environment Facility.

Statement of Ireland

Damien Boyle

First Secretary, Department of Foreign Affairs

International cooperation to protect the environment and deal with global environment problems has intensified substantially in recent years. This reflects the reality that environmental problems do not respect national boundaries and that cooperation at the regional and broader international level is essential if the world community is to adequately and effectively deal with threats to our common global environment. Many of the main environmental problems—climate change, biodiver-

sity loss, ozone layer depletion, deforestation and many others—cannot be resolved by isolated action by individual countries or even groups of countries. Sustained and broad-based cooperative action within and between all countries is needed. Globalisation, and particularly the increasing global interdependence of economic activities, increases further the need for a coordinated international response to environmental problems and particularly those with a global dimension.

Agenda 21 and the growing number of international conventions in the environment area which provide the framework for environmental cooperation have also endorsed the principle of a common but differentiated responsibility for the global environment and for dealing with the environmental problems which threaten the ecological balance of our planet. This principle recognises:

- That the overriding goal of developing countries and indeed of Agenda 21 is to break the vicious circle of poverty, population growth and environmental degradation.
- That developed countries have to take the lead in dealing with environmental threats.

In recognising the legitimate needs of developing countries for increased economic and social development, we should not, however, give support to the mistaken view that protecting the environment limits economic development opportunities or that environmental protection can await the availability of resources generated by economic development. The reality is that a high-quality environment is fundamental to a healthy economy and a high quality of life. The economic and environmental dimensions of sustainable development are mutually supportive. It makes both economic and environmental sense to maintain a high-quality environment and to limit environmental impacts.

The GEF is playing a crucial role in a very practical way in promoting international cooperation on environmental matters and in assisting developing countries to pursue a sustainable development path. As the CEO's report on policies, operations and the future development of the GEF indicates, the Facility is more than a channel for project financing. It provides a network to disseminate and share environmental science, knowledge and experience. It also supports capacity building, facilitates the transfer of technology and leverages investments that might not otherwise be made.

The international community renewed its political commitment to the Rio process at last year's UNGASS. It recognised that the legal framework of the Rio process is largely in place and that we now need to

focus more on implementation. The GEF is a crucial element of the Rio process—one which serves to translate principle and commitment into practical cooperation for environmental protection and sustainable development. It also epitomises the Rio commitment to the provision of new and additional resources. The agreement on the second replenishment of the GEF is both a reflection of that and a strong vote of confidence by the international community in the GEF and its achievements to date.

Ireland has cooperated substantially in international action to take forward the Rio process and has actively implemented Rio conclusions at the national level. We have also integrated environmental considerations into our development cooperation programme and have adopted measures to honour the Rio commitment on finance. Our aid expenditure has more than trebled in size since 1992. New and additional resources have been provided for expenditure on key conservation and development sectors identified in Agenda 21. As part of that process, Ireland is pleased to participate in this Facility and to have increased its contribution well beyond its basic share under the second GEF replenishment.

Much has already been achieved within the relatively short period of the GEF's existence. We must now build on the firm foundations which are already in place. The reports and reviews now before this Assembly point to where improvements can be made and provide us with an excellent basis on which to proceed. We need to draw on the lessons learned from project implementation in order to achieve greater efficiency and effectiveness in the use of GEF resources. We must seek to enhance the growing level of cooperation and coordination between the implementing agencies. We must give greater consideration to such crucial issues as long-term project sustainability. We must seek to promote greater involvement by the private sector and still greater levels of stakeholder participation. By such means, we can give greater impetus to the Rio process and carry forward the international partnership for sustainable development and environmental security.

Statement by Italy

Giovanni Sacco

Senior Director, Ministry of the Treasury

I would like to thank the Government and the people of India for the generous hospitality, and to commend the city of Delhi and the GEF Secretariat for the excellent organization of this Assembly.

Our main task here is to take objective and candid stock of what has been done and what has not—or not yet. The CEO report provides us with the wide picture of the achievements of the GEF so far and looks at the future. The recommendations formulated are appropriate, and Italy endorses the substance of the points made.

When the GEF was launched back in 1991, we were confronted with the challenge of making development compatible with the environment and to ensure a more balanced and long-lasting development. The GEF represents the first and most significant financial achievement of the Rio Summit.

The recently concluded replenishment of the GEF is a success. The amount of resources committed may appear to be small—if you compare it to the magnitude of the problems we are facing, or to all the energy investments. It is in fact a very significant amount of money. Not only if you consider what was available for the environment only a few years ago, but because a relatively modest amount of money can have a tremendous impact, and high-value grant resources can be multiplied many times over, if several conditions are met.

Concentrating on incremental costs, making each investment cost-effective, focusing the programs, streamlining operations, building new investment partnerships with bilateral and multilateral institutions, in particular regional development banks and funds, leveraging private sector resources. These, in a nutshell, are the things that can make the GEF succeed.

The GEF has been given a clear mission that relates to the concepts of “incremental costs” and “global benefits.” Without such specificity, other ways and means of financing environmental activities would have been more direct and less expensive.

We must also be sure to hit the mark, making the best possible use of the resources available. Inadequate results in terms of efficiency of administrative action would be signals of weakness in the technical and operational sides.

The multilateral character of the Facility must be

preserved at all times, and the concept of “casting the net widely” applied in its broadest sense.

The GEF is to be seen as a catalyst, a facilitator, and a mechanism for integrating global environmental concerns into the development process. The GEF’s goal is to make the connection between local development demands and global environmental challenges and between national and international resources to help developing countries implement policies that can simultaneously increase economic efficiency and advance environmental protection.

It is essential for the GEF, for its very nature, to seek co-financing opportunities with other bilateral and multilateral institutions. I already mentioned regional development banks and funds: the potential benefits for the GEF of a partnership with those institutions should be fully exploited.

At the same time, international institutions must mainstream the environment, and the global environment, in their own actions and thinking.

And the GEF should be a financing instrument to leverage and mobilize private sector resources. Given the predominance of private financing for development purposes, it is important that the GEF exercises its role as a broker, to facilitate and catalyze demonstration projects with significant replication potential.

I think, for example, of the Kyoto follow-up, where the GEF has a very important role to play. Energy policy and investment in global environment-friendly technologies are essential in any climate change strategy, both in developed and developing countries. The private sector—not governments—is the key player in the development, refinement and transfer of technology.

There can be a commercial future for a wide range of environmentally beneficial activities. And there is a potential for private financing.

Let me take my own country as an example. There is a very large number of Italian companies, small and medium enterprises, highly specialised and able to offer industrial production systems at low environmental impact and high efficiency—as the success already achieved in the field, for example, of clean refrigeration shows. Also, big companies have a lot to give in the field of energy efficiency. Italy is the country with probably the highest energy efficiency in the industrial sector of all developed countries. We do not use nuclear power; however, the level of carbon dioxide emission is very low. This technological pri-

macy should indeed become replicable at the international level.

I will end my reflections on the GEF and its future by briefly touching upon its role with regard to the Conventions.

Italy thinks that the time has come for the GEF to become the permanent mechanism of the Climate Change and Biodiversity Conventions.

As to the Convention to Combat Desertification, the first conference of the parties held in Rome has shown the willingness of the international community to promote and sustain a strong and effective cooperation, including through global policies that will bring about the sustainable use of natural resources for the benefit of all mankind. Desertifica-

tion has been identified as one of the principal emergencies that the earth will have to face while it enters the third millennium. Land degradation can also affect problems of global concern. It can contribute to climate change, damage biodiversity, and damage international waters. As the World Bank analysis on this subject shows, there is room for measures to address land degradation and problems of global concern to be mutually supportive. The tackling of climate change, the conservation of biodiversity, the defense of forests, are essential components of the fight against desertification.

The GEF offers important facilities to combat the global dimension of desertification, and we believe that this potential should be fully exploited.

Statement of Japan

Takatoshi Kato

Special Advisor to Minister of Finance

It is a great pleasure for me to address the first Assembly of the Global Environment Facility. I would first like to express our gratitude to the Government of India for the enormous efforts it has made to host this inaugural Assembly.

GLOBAL ENVIRONMENTAL ISSUES AND JAPAN

Preserving the environment of our planet is our responsibility to future generations. It is also essential to global human security. With this in mind, Japan is actively promoting international cooperation to address global environmental issues.

In providing official development assistance (ODA) to developing countries, Japan also adheres to the principle that development should be pursued in tandem with environmental conservation, thus contributing to sustainable development on a global scale.

With regard to these goals, our Prime Minister Ryutaro Hashimoto announced a program called the Initiatives for Sustainable Development toward the Twenty-First Century (ISD) at the United Nations' Special Session of the General Assembly for the Overall Review and Appraisal of the Implementation of Agenda 21 held last June.

This is a plan which Japan has put forward as the basis of a comprehensive policy on environmental cooperation. Based on the principles of global human security, ownership, and sustainable development,

the action program under the Initiatives covers five areas: first, air and water pollution and waste disposal; second, global warming; third, fresh water problems; fourth, the preservation of the natural environment and afforestation; and lastly, the promotion of public awareness and strategy building.

With regard to global warming, the Third Conference of the Parties to the United Nations Framework Convention on Climate Change was held in Kyoto last December. There, despite their differing positions, delegates from over 160 countries around the world converged to reinforce a global initiative to fight against the threat of climate change, while the developed country parties reached an agreement on legally binding targets for reductions in greenhouse gas emissions. This must be praised as a step in the right direction towards addressing an issue that will require our continued efforts well into the next century and beyond. I hope that the Kyoto Protocol agreed upon at this conference will be ratified by as many countries as possible, thus allowing the Protocol to take effect at the earliest possible time.

Furthermore, at the meeting in Kyoto, Japan announced that it would further strengthen its assistance to developing countries' efforts to combat global warming in a number of ways: assistance in training 3,000 environment experts over the five-year period; the provision of ODA loans at the concessional con-

ditions equivalent to those of the International Development Association; the transfer of our environmental know-how and technologies; and greater environment-related financial contribution to multilateral development banks such as the World Bank and the Asian Development Bank.

BASIC RECOGNITION OF GEF AND ITS SECOND REPLENISHMENT

The Kyoto Protocol reaffirmed that the Global Environment Facility would continue to be the funding mechanism for programs aimed at reducing greenhouse gas emissions in developing countries.

In the way it functions, and in the way it's managed, the Global Environment Facility is a groundbreaking venture. Little wonder then that since 1991 when the Facility was launched, the journey to date has not always been smooth. It is all the more commendable, therefore, that the management of the Facility has steadily been improved through the 1994 restructuring and the first replenishment.

I also join you in welcoming the latest agreement on the second replenishment to cover the Facility's Phase 2 activities, scheduled to start in July this year. Together with the Kyoto Protocol, this signals a strong commitment by donor countries toward addressing global environmental issues.

For its part, Japan has supported the Facility ever since its pilot phase as a funding mechanism for programs in developing countries aimed at protecting the global environment. We believe the Facility should continue to play a leading role as a focus for multilateral support in global environmental issues.

FUTURE REFORMS OF GEF

The latest agreement on replenishment does not mean, however, that we can rest on our laurels. On the contrary, the Facility must remain subject to review in order to achieve even further operational improvement. In this regard, I welcome a number of evaluation programs, in particular the study of GEF's overall performance submitted to this Assembly, and the policy recommendations prepared at the conclusion of the replenishment. Allow me to express my

views regarding some of the key points covered in these reports.

First, the mainstreaming of the global environment. Notwithstanding the significance of the GEF's role, given the size and operating mechanisms of the GEF, it is essential that the three implementing agencies—namely the World Bank, UNDP, and UNEP—mainstream the global environment within their regular operations. This would allow us to put the GEF to better use. In this respect, I support the priority recommendation that each institution should formulate its own mainstreaming strategy.

Second, individual country ownership. For successful operations of the GEF, it is indispensable that each developing country takes the initiative in developing projects according to its own policy priorities in the area of environmental protection. To help promote such a sense of ownership or spirit of self-help, it is also essential that the GEF promote greater awareness of itself among recipient countries, further strengthen the mechanisms for the coordination of project development, and promote project development-related capacity building in recipient countries.

Third, the incremental cost requirement and the project cycle. To make the GEF more accessible to recipient countries, the whole concept of incremental cost, which is so central to the GEF, must be further clarified in operational terms. Also, the project cycle must be constantly reviewed to further facilitate the process.

Finally, I also support the recommendation that co-financing be put to better use to enhance the catalytic function of the GEF. Japan is also prepared to consider this recommendation.

CONCLUSION

A threat to the global environment is a threat to all humankind. It is a common agenda that must be addressed by all countries—whether developed or developing.

I would like to conclude by hoping that the GEF will continue to play a pivotal role, through its effective and efficient operations, in furthering such multilateral efforts.

ПОЛИТИКА КАЗАХСТАНА ПО ВЫПОЛНЕНИЮ ПРОГРАММЫ ГЭФ

Мусатаев М. Х., Вице-министр экологии и природных ресурсов
Республики Казахстан

Для устойчивого развития Республики Казахстан разработана Долгосрочная стратегия «Экология и природные ресурсы – 2030». Ее основным замыслом и целью являются – достижение гармонизации взаимодействия общества и окружающей среды, а также создание экологически благоприятной среды обитания.

Стратегия предусматривает провести институциональные преобразования в природоохранной деятельности и оптимизировать ее финансирование, усовершенствовать законодательство, мониторинг и систему отчетности, вовлечь научные круги, НПО и общественность в решение экологических задач, сформулировать систему экологического образования и воспитания.

Республика Казахстан является одной из самых активных стран, поддерживающих основные международные конвенции, такие как «По борьбе изменению климата», «По сохранению биоразнообразия», «По борьбе с опустыниванием» и ряд других международных и региональных экологическая политика Республика Казахстан направлена на улучшение национальной, региональной и глобальной экологической ситуации. В 1997 году были приняты и ратифицированы Президентом РК Н.А. Назарбаевым два весьма важных в экологическом плане закона: Концепция экологической безопасности Республики Казахстан «Об охране окружающей среды» и «Об энергосбережении». Ранее было одобрено несколько концептуальных положений, таких как Сохранение лесов Казахстана; рациональное землепользование и ряд других. Таким образом РК старается внести свой вклад в улучшении региональной, национальной и глобальной экологической ситуации.

Энергопотребность Казахстана всегда была большой, поскольку промышленность республики является, в основном, ресурсодобывающей и ресурсоперерабатывающей и будет увеличиваться в дальнейшем; если не перейти на новые энергосберегающие технологии.

Самым рациональным вариантом было бы уже сейчас начать постепенный перевод предприятий на менее загрязняющие технологии, энергосбережение, и развитие альтернативных источников энергии; таких как гелио-, ветро- и гидроэнергетические. В республике приняты программа и подготовлен законопроект по энергосбережению, ряд

мер предусмотрен долгосрочной стратегией развития Казахстана, в том числе по увеличению поглотителей CO₂: через восстановление пастбищ, лесов и органическое земледелие. Однако в экономически переходный период у Республики не хватает средств осуществить это без финансовой и технологической поддержки извне. Поэтому Казахстан заинтересован в коммерческих переуступках выборов ПГ в более ранние сроки, чем это предлагается США и рядом других стран.

В Казахстане были подготовлены с помощью экспертов ГЭФ и в настоящее время действуют три национальных проекта:

1. Ускорение развития ветровой энергетики в Казахстане (Блок Б, ПРООН).
2. Программа малых грантов ГЭФ (ПРООН).
3. Проект по развитию стратегии внедрения конвенции по биологическому разнообразию (ПРООН); который включает поддержку по подготовке Национального отчета; стратегии и плана действий по сохранению биоразнообразия.

И два проекта:

1. Экологическая программа Каспийского моря (Блок Б; ПРООН/ЮНЕП/Всемирный Банк) для пяти прикаспийских стран.
2. Программа малых грантов ГЭФ (ПРООН).
3. Проект по развитию стратегии внедрения конвенции по биологическому разнообразию (ПРООН), который включает поддержку по подготовке Национального отчета, стратегии и плана действий по сохранению биоразнообразия.

И два региональных проекта:

1. Экологическая программа Каспийского моря (Блок Б, ПРООН/ЮНЕП/Всемирный Банк для Казахстана, Узбекистана и Кыргызстана).

Министерством экологии в качестве приоритетных проектов, подготовленных для финансирования ГЭФ определены следующие:

1. Снижение энергопотребления в коммунальном секторе за счет более эффективного использования энергии в тепло и водоснабжении.

Демонстрационный проект для Алматы и Акмолы.

2. Создание сети особоохраняемых водно-болотных угодий на территории Казахстана.
3. Развитие водообновляемых источников энергии — минигидроэлектростанций.
4. Организация пропаганды и расширение возможности участия неправительственных организаций по глобальным экологическим проблемам.
5. Создание системы мониторинга, предотвращения и ликвидации загрязнения загрязнений экосистемы Каспийского моря.

6. Формирование системы экологического туризма и объектов цивилизованной охоты и рыбалки.

Причем два первых проекта (по энергоэффективности и водноболотным угодиям) могут быть представлены уже в этом году для финансирования ГЭФ-ом в виде блока А и блока Б соответственно.

Сейчас находится в стадии обсуждения блок А регионального проекта для стран Средней Азии: Казахстана, Кыргызстана, Узбекистана и Таджикистана по сохранению агробиоразнообразия лесов Средней Азии.

Представленные Вашему вниманию проекты определены Правительством РК совместно с акиматами областей, а также с участием международных экспертов. Выявление приоритетов проводилось на республиканских и областных семинарах широким кругом участников-представителей министерств и ведомств, местных органов управления, частного сектора, а также общественных организаций по единым критериям и международной методике, разработанной Целевой рабочей группой ОЭСР.

Все эти проекты, планируемые для финансирования через ГЭФ, отвечают приоритетам как Национального плана действий по охране окружающей среды (НПДОООС), так и приоритетам Стратегии и планов Министерства экологии и природных ресурсов «Экология и природные ресурсы», как составных частей государственной Стратегии развития Казахстана до 2030 года.

Подготовка и реализация этих проектов в течении ближайших трех лет позволит перейти к устойчивому использованию международных водных ресурсов, снизить угрозу затопления объектов нефтегазового комплекса в районе Каспийского моря, сократить выбросы парниковых газов, начать восстановление пахотных земель и пастбищ, создать необходимые условия для сохранения ландшафтного и биологического разнообразия.

3 марта 1998 года Министерство экологии приступило к выполнению Программы внедрения стратегического плана на 1998-2000 годы «Экология и природные ресурсы» при поддержке ПРООН. Настоящий проект должен помочь координации всех проектов, выполняемых в рамках основных Природоохранных конвенций: по сохранению биоразнообразия, изменению климата, сохранения озонового слоя, международных вод, борьбы с опустыниванием и т. д. Эта программа также может содействовать софинансированию проектов ГЭФ, выполняемых в Казахстане.

Министерство экологии и природных ресурсов Республики Казахстан, как государственный орган, ответственный за стабильное улучшение состояния окружающей среды и сбалансированное использование природных ресурсов, заинтересовано в наиболее эффективном использовании поступающей в республику помощи международных финансовых и экономических организаций и стран-доноров, в избегании дублирования в адресном и целенаправленном использовании как займов, так и грантов.

В этой связи нам необходимо Ваше понимание и поддержка Вашей уважаемой организации и со-финансирования этих проектов.

Заранее благодарны за поддержку и надеемся на дальнейшее плодотворное сотрудничество.

Statement of Kenya

Francis Nyenze

Minister of Environmental Conservation

On behalf of the President, the Government and the people of Kenya, the Kenya delegation thanks the Government and the people of India, for hosting this historic GEF first participants' Assembly here in India, and for the brotherly care afforded to us since our arrival. We again thank the Government of India, and the GEF Council and Secretariat, and many other institutions and individuals, for the excellent arrangements made for this conference.

My delegation congratulates you, Mr. Chairman and members of your Bureau, on your election to the unenviable task of guiding this historic Assembly to its conclusion. We wish you success and assure you of Kenya's support in this respect.

As we assemble here, the Rio Earth Summit Agenda 21 remains largely unfulfilled. Kenya has ratified and actively participated in all the environmental conventions, including the Montreal Protocol, the Climate Change and Biological Diversity Conventions, and the GEF. Kenya has followed closely the GEF history from inception, through its restructuring meetings from 1991 in the cities of Geneva, Abidjan, Rome, Washington, Paris, Beijing, and Cartagena, leading to

a concluded GEF instrument which restructured the GEF on March 17th, 1994, in Geneva. Kenya has also closely followed the performance of the restructured GEF for the last four years. Hence we are here to join other nations, to review—in a global sense—the GEF general policies, evaluate its operations and make recommendations we consider appropriate for the GEF Council's action.

We have received the GEF activities report, and Kenya loudly commends and appreciates the efforts and accomplishments of the GEF in the short history of its existence. We openly acknowledge and appreciate the efforts of the GEF Council, the GEF Secretariat, the implementing agencies—i.e., the World Bank, UNDP and UNEP as well as STAP—in the achievements thus far recorded. We also recognise the watchful eye and input of the NGO community to the GEF successes. We indeed thank the Governments that have contributed to the GEF funds and welcome the successfully concluded second replenishment of the GEF on 24th March 1998.

At this juncture, Kenya acknowledges and appreciates the financial support from GEF through the World Bank, UNDP and UNEP for our environmental

and capacity-building projects, some combining the East African region. Notable among these are the Biodiversity Data Management System and the Institutional Support for the Protection of East African Biodiversity. Currently, Kenya is in the process of preparing the National Biodiversity Strategy and Action Plan with GEF funding through the World Bank. On-going is the Lake Victoria Environmental Management Project, involving Kenya, Uganda and Tanzania, aimed at rehabilitating the Lake Victoria ecosystem. Kenya is also a beneficiary of the UNDP/GEF Small Grants Programme.

Kenya enjoys a good relationship with GEF. Nevertheless, our efforts to pursue and fulfill our commitments to Agenda 21 through the GEF are at times frustrated. Kenya strongly recommends that the following aspects of the GEF mechanism be reviewed and improved upon.

- 1. The instrument.** The four focal areas are restrictive. The fifth area of land degradation, desertification and deforestation needs to be added so that related issues can be fully funded in the GEF budget. Kenya strongly feels that these issues have not been given adequate consideration in the GEF process as contained in paragraph 3 of the GEF instrument.
- 2. Governance.** Kenya is satisfied with the governance structure of the GEF. However, three years is too long between meetings of the Assembly. The Kenyan Government recommends that the participants' Assembly meet once every two years. Furthermore, consideration should be given to incorporating the multilateral regional development banks, such as the African Development Bank, as implementing agencies, rather than executing agencies.
- 3. Operations.** The project approval process is too long in the GEF project cycle. Efforts must therefore be made by GEF to accelerate expeditious processing of country applications without compromising quality. For example, Kenya submitted an application in July 1997 to GEF through UNEP for funding the preparation of the First National Communication towards fulfilling our commitment to the Climate Change Convention. To date, we have not received any response from the GEF.

Kenya welcomes the introduction of medium-size grants which will help NGOs implement environmental conservation activities in support of Government programmes.

The total GEF funds committed to protect the environment for the period July 1994 through March 1998 is US\$1.2 billion. This amount, while commendable, is nevertheless low vis-à-vis the rate of environmental degradation that needs urgent attention. There is a need for GEF to enhance the capacities of the GEF Secretariat, the implementing agencies and other relevant stakeholders in order to accelerate the pace of environmental protection through more projects and larger funding commitments.

- 4. Focal points.** These are an important cog in the GEF wheel. These cogs in the developing countries need to be financially facilitated to enable them to function effectively. Therefore, a modest sum in the GEF Secretariat budget should be provided for this purpose.
- 5. Constituencies.** Most of the developing country constituencies are large and currently not functioning effectively for lack of budgetary support. We recommend that Council members in these countries be financially facilitated by GEF to have one meeting of the constituency members in between Council meetings in addition to the workshops.
- 6. Capacity to access GEF funds.** Many recipient countries currently lack adequate capacity to access GEF funds. The countries' capacities should be strengthened, more local NGOs and local communities should be out-reached, and the Small Grants Programmes should be enhanced and extended to more countries.

With regard to the recommendations on Monitoring and Evaluation, Kenya supports the idea that the monitoring and evaluation process be a continuous feature of the GEF activities. We urge that the recommendations, as deemed applicable, resulting from such exercises be effectively processed by the GEF Council.

In conclusion, Kenya endorses the report of the GEF Chief Executive Officer and the recommendations therein and requests that our serious concerns above be addressed by the GEF Council.

Kenya thanks GEF for the efforts and achievements thus far recorded. However, if global environmental degradation is a real threat to countries' national security, then GEF must walk faster in the next phase of its operations, if not run, so as to more effectively perform its responsibilities as the leading global financial mechanism to protect the environment.

Statement of the Republic of Korea

Choi Dae-Hwa

Ambassador to India

I would like to begin by congratulating you on your election as the Chairman of the first ever GEF Assembly. I would also like to take this opportunity to extend my deep appreciation to the Government of India for its valuable support and contribution in hosting this gathering.

As we all know, the Global Environment Facility was restructured in 1994; in the short interim period, it has taken major strides towards development. Its functions are as many as they are varied. It serves as a financial mechanism of the Biodiversity and Climate Change Convention. Simultaneously, it fulfills its mission as a global watchdog by acting as the chief financial body for the implementation of Agenda 21.

The GEF has now established itself, and its activities have firmly taken root. It has successfully set up its own fundamental system of institutional and administrative procedures. Through the pilot phase and the GEF I period, it has accumulated a great deal of experience in the management of global environmental development.

The GEF has demonstrated its function not only as a channel for project financing but, more importantly, as a vehicle for mainstreaming the global environment issue into the agendas of regional, national and local bodies. An increase in number of member countries from 73 to 161 in a short span bears testimony to the significance of the GEF, which has been correctly recognised by the international community.

We are gathered here today at the start of the second GEF period, namely GEF II. Ahead of us is a long and winding road towards the ultimate goal of achieving sustainable development. The CEO's report has correctly pointed out the urgency for action to address global environmental issues. Degradation of soil, scarcity of water resources, global warming, disruption of weather patterns, diminution of species and genetic resources are the threats that loom on our horizons.

As a vanguard for global environment protection and preservation, the GEF should be at the centre of world environmental efforts to discharge its ultimate duty of sustaining global environment. In this context, the GEF's second phase is more important than ever before, and it calls for a wholehearted response from the international community.

No country should hesitate to provide necessary support for the fulfillment of GEF's mission. While we are all of the same opinion as far as the signifi-

cance of global environmental preservation is concerned, however, we seem to be divided on the issue of implementation of global activities which entail financial commitments that need to be borne by each shareholder country. This attitude needs to be addressed immediately for the GEF to continue working towards its goal.

Facing the commencement of a new period, the GEF itself needs to be restructured and improved to meet its diverse and multiple missions. The CEO's report has pointed out that the GEF has to further evolve and mature into a more broadly representative, participatory, transparent, effective and strategic organization.

1. Among the challenges facing the GEF, mainstreaming global environment issues into the regular programme of activities of implementing agencies draws special concerns. The GEF should prioritize establishing a strategy distinct from that of other international financial institutions. The World Bank, UNDP and UNEP have to tackle global environmental issues as a matter of primary concern.
2. The GEF project cycle is widely perceived as needing further improvement. For recipient countries, their main concern is how well and effectively their environmental demands are met by the GEF. If project cycles are unnecessarily long and complex, they need to be altered, as a matter of urgency, to ensure cost-effectiveness. In this regard, we welcome the report on reforms carried out by the World Bank and the UNDP to streamline the project cycles.
3. Non-governmental sector involvement is another essential factor for the furtherance and expansion of GEF activities. The private sector serves as a mainstream of international capital flow, and most advanced technologies are developed and owned by the private sector. The GEF's progressive stance towards NGOs and private participants is commendable, and it should be further encouraged.
4. Lastly, the GEF has to develop a strong monitoring and evaluation system that will continuously evaluate ongoing projects and identify problematic matters, providing feedback for future projects. These systems are required to measure the progress of projects and to achieve greater project quality and effectiveness.

With the streamlining of the GEF mechanism, my delegation is confident that the second GEF will bring

us closer to the realization of sustainable development in the face of the new millennium.

In recent years, industrialization in Korea and its effects on the environment have been a matter of grave concern to the Government. The Korean Government will closely cooperate with the GEF to tackle environmental problems in and around the Korean peninsula.

It is our duty to leave our children a planet that is free from environmental pollution, where they can live and prosper. This involves global thinking and global action which the GEF is spearheading. Now that the GEF has laid its foundation and we head towards the next millennium, it is not "what we can get from the environment", but rather, "what we can do for the environment."

Statement of Lao People's Democratic Republic

Souli Nanthavong

Minister, Prime Minister's Office; President of Science Technology and Environment Organization

I am very pleased by the invitation to join you and to speak about our involvement in the operation of GEF-funded activities in the Lao PDR. Kindly permit me to take this occasion to express my congratulations to all of you for the fruitful efforts taken in order to improve the operation of the GEF. It is visible to us that, indeed, operations have improved gradually over the past years, although the funding level generally fell short of the expectations we had after the Earth Summit. This shows that the GEF as a new model for channeling funds into the environment sector needs to make itself better known. For this, success stories are necessary, and we hope that the projects in our country can serve this purpose, once finished.

Out of the four major program areas of GEF, our country has projects in two:

1. Climate Change Convention—a National Greenhouse Gases inventory project is under way, aiming to complete its first national communications to the conference of parties and to improve capacity in-country to comply with UNFCCC.

I should also mention that, on a national scale, forestry and related upland farming and agro-forestry systems have been a major focus of donor assistance and are likely to contribute to the country's minimizing of greenhouse gas emissions in the long term.

2. Biological Diversity Convention—a project proposal on the National Biodiversity Strategy and Action Plan as well as a project on the set-up of a Biodiversity Conservation Trust Fund are being formulated.

In this biodiversity focal area, the Forest Management and Conservation Project, which is co-

financed by the World Bank, FINNIDA and the GEF is operating.

Regarding the third area, international waters, a proposed water utilization project is consistent with the objectives of GEF Operational Program No. 8 ("Water-Body-Based") under the long-term window. Within the framework of the Mekong River Commission, comprising Cambodia, Lao PDR, Thailand and Vietnam, through a grant under the GEF's Project Development and Preparation Facility (PDF Block B grant), the proposed GEF water utilization project has been prepared in collaboration with the World Bank as the GEF implementing agency. Phase 1 was implemented and completed in 1997. The project has developed a framework concept paper for the water utilization project, which will be reviewed for consensus by the riparian countries for further consideration and action in Phase 2.

This is in keeping with an agreement between the Bank and UNDP that the latter would focus on wetlands in the lower Mekong basin, while the Bank would mobilize assistance for the water utilization program.

Concerning the fourth area, ozone layer depletion, the Lao Government is preparing to become a party to the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer as well as the Montreal amendments.

Institutions operating GEF programs in our country so far are receiving various forms of support aimed at strengthening our capabilities such as (1) training courses to strengthen analytical and field

skills as well as operational and policy skills; (2) necessary equipment (like computers, field vehicles, etc.); and (3) on a very limited scale, receive advice on institutional matters.

The above-mentioned projects have given our Government the opportunity to study the practical applicability of GEF in the field and to draw conclusions. We would like to propose the following points for further strengthening the GEF and for better catering to the needs of the developing countries of the South:

- Given linkages between the on-going GEF Secretariat programs, the World Bank, UNDP, UNEP, other implementing agencies and programs of the GEF, national focal points should improve cooperation and coordination of their respective assistance programs.
- Assist the countries, in particular the least developed countries, in formulating project proposals to be consistent with GEF programs.
- GEF should attach greater priority to proposed projects from least developed countries.

- Organize a national workshop on the GEF financial mechanism operation.

- Provide adequate services for the private sector in dealing with GEF programs, be it on the financing or implementation level, and facilitate their operation.

- Capacity building should not concentrate on formal institutions only, such as national focal points, but should involve the end users of natural resources, be they the urban poor, industries, public groups, etc., in the planning and execution of GEF projects and programs.

- Conduct regional workshops on a regular basis for the GEF national focal points to ensure timely sharing of information and lessons learned.

I am sure that this Assembly is of special interest to us because it not only gives us the opportunity to participate but also to introduce us to the policy of the GEF. We are really interested in joining and learning from this Assembly the experiences of other countries, how they see GEF, how we can join forces to make this special Fund work and how the special interests of least developed countries can be considered in a better way.

Statement of Latvia

Indulis Emsis

State Minister for the Environment

It is a great honor to address the first Global Environment Facility Assembly on behalf of the Government of the Republic of Latvia. Let me congratulate you, Mr. President and Vice Presidents, on the occasion of being elected to these honorable posts for this historic event.

I would like to express my delegation's gratitude to the Government of India for its hospitality and for the excellent organization of this Assembly. I extend my gratitude also to the Secretariat of the Assembly for the immense task of preparation.

Latvia became a member of the GEF on the 27th of June 1994 and since then has carefully followed the development of this financial institution which is crucial for future generations, joining the family of 161 countries with good will and full understanding of the important role of implementation of those international conventions concerning the GEF after its reorganization in 1994.

The GEF Trust Fund under the wise supervision of the World Bank has successfully served as a funding

mechanism for integrating global environmental concerns. Although direct foreign investment in developing countries has more than tripled since UNCED in Rio, the GEF is an essential link between local and global environmental challenges and national and international resources in the areas of climate change, biodiversity, ozone depletion, international waters and land degradation.

Latvia shares the deep concern for the preservation of biological diversity as well as safeguarding the earth from negative human impacts. Latvia is deeply involved in the process of change from a planned to a market economy and its integration into the European Union obviously sets specific tasks and objectives.

The first strategic environmental protection document, called the National Environmental Policy Plan, in Latvia is formulated in line with the principles of the United Nations Environment and Development Conference in Rio de Janeiro, under the requirements of Agenda 21 and European Union environmental

policy; it sets as a final goal sustainable and balanced development in the country.

Biological diversity, climate change, ozone layer protection and quality of transboundary water resources are the most important and simultaneously politically and socially very sensitive issues. Therefore, since 1992, Latvia has combined forces in the international processes for environment protection, thus implementing the commitments of the Convention on Biological Diversity, the Framework Convention on Climate Change and the Montreal Protocol. We ratified the Framework Convention on Climate Change and the Convention on Biological Diversity in 1995, soon after joining the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted National Environmental Policy Plan and submitted the first National Communication of the Republic of Latvia under the Framework Convention on Climate Change and the Country Program called "Phasing Out the Ozone Depleting Substances."

Elaboration of the National Strategy on Biodiversity, the Action Plan and National Report on Biological Diversity to the Conference of the Parties of the Convention on Biodiversity, the first Climate Protection Policy Plan and the second National Communication on Climate Change are in their concluding stages and are supposed to be finished during 1998.

Modernization of Latvia's industry and restructuring of the economy, replacing obsolete production with up-to-date environmentally sound technology especially in the field of special industries and energy, has been applied to achieve promotion of non-CFC materials, renewable energy sources and energy conservation measures.

All problems related to the conversion of former military technologies to peaceful purposes and to economic transition in general gives us assurance that the processes of development in our region—and in Latvia in particular—have short-term investment needs and are therefore highly cost effective and with extremely high outcome. Countries with economies in transition are soon to be potential donors themselves, and their goal is to join the European Union not only by political criteria but also by setting strict environmental standards for their economic and household activities. I would like to assure donor countries that assistance to our region's countries is a short-term measure with high potential and efficiency and very necessary right now, during the transition processes.

A large percentage of Latvia is covered by forests resulting in stable carbon dioxide sequestration rates exceeding the level of emission of CO₂. Efficient and reasonable forestry policy accomplished by the Latvian Government envisages rational activities to

increase the forested areas to approximately 50% during the next twenty years.

One can compare the more than \$US3.5 billion invested by GEF into FCCC-related projects and \$US826 million cofinanced by UNDP/GEF with future investment necessary in the near future and see that achievement of global scale projects is tremendously expensive.

A small share of the figures mentioned above is the first cooperation between Latvia and GEF. Latvia's cooperation with the GEF extends in the fields of biological diversity, solid waste management and climate preservation projects.

Latvia has fulfilled the commitments of the above-mentioned Conventions and pledges the implementation of the international treaties thoroughly and completely. Our sincere interest and readiness to prepare and lead more projects in the field, which are mutually crucial for both regional and global rehabilitation of the environment such as reduction of anthropogenic gas emissions, protection of international water resources or protection of endangered species, will be possible with the direct participation and support of GEF and its implementing agencies.

However, the instability caused by economic restructuring, the development of democratic changes and the high uncertainty of reaching political and economic goals preclude Latvia from succeeding alone.

Regional cooperation has fruitfully begun between neighboring Baltic States—Estonia, Latvia, and Lithuania—at such important international fora as the Baltic Assembly, the Council of Ministers of the Baltic States and Nordic States and Baltic Sea countries. Very fruitful multilateral cooperation in the framework of the Baltic Sea region promises to prevent further degradation of the quality of water in the Baltic Sea. It is necessary to start the bilateral and multilateral cooperation to implement the Montreal and Kyoto Protocols. We would be very grateful if this Assembly would be able to come closer to the solution of three key issues that are at the center of negotiations: i.e., allocations of responsibility, costs of emission reduction, and financial mechanisms. The creation of a new partnership between North and South would guarantee success in the future and let us act effectively over the years.

The delegation of Latvia is in a position to support ideas to work out biodiversity and climate change strategy in the region. With respect to future policies and strategies for effective environmental protection, Latvia intends to develop new, efficient measures to implement a harmonized international approach towards elaboration of the Global Forest Convention as a follow-up to the Convention of Biological Diversity, joint implementation actions under the Kyoto Protocol, emission trading and global tax on aviation fuel.

Let us join forces to start an effective process for global environmental protection. We would like to ensure that Latvia will undertake serious efforts to support, cooperate and comply with the declared objectives leading to the rapid reduction of anthropogenic gas emissions and to sustainable development. The experience

of the last three years has proved that GEF is smart assistance. Approaching the 21st century, the environmental problems that impact our very survival require urgent action—no matter that they are both complex and long term. And let GEF be that smart tool to achieve global improvement without global changes of our planet.

Statement of Lesotho

Bore Motsamai

Secretary General, National Environment Secretariat

I would like to express my sincere gratitude to the Government and the people of India for their generosity and hospitality in hosting this august Assembly. The reception from the people and officials has made us feel welcome and special.

The Global Environment Facility has grown into a visionary organization which has grasped the world's potential for a healthy environment, and mobilises the innovation and change to achieve its potential. We have to live according to its tenets and fully appreciate it to ensure its sustainability. A visionary organization is vibrant, seizes opportunities as they come, and always looks for ways to improve its future self-efficacy.

The reports we have in front of us now bear this out. The Chief Executive Officer's report is an important landmark for the next millennium, and we support its broad vision.

The study team considered several issues, and I want to comment on some of them. We support the recommendation that the GEF Council should address the need for a clear definition of the concept of "new and additional resources." Success in this regard could make a contribution to facilitating the international community's successful negotiations in other fora. The team further recommends that developed countries consider separating budget lines for global environmental measures in developing countries and for contributions to GEF from budget lines for development cooperation. We believe that this is in line with the principle of equal but differentiated responsibilities.

On seeking formal commitments from recipient countries to review policies and sectoral activities in order to avoid "increasing the risk of project failure," this should be carefully considered, taking into account the following, among others:

■ National policies and sectoral activities are based on national needs and priorities, and recipient country

governments might not wish to change their developmental and environmental policies.

■ Such reviews could entail further delays in the project cycle and implementation process.

On mainstreaming of the global environment by the implementing agencies, it should be borne in mind that making linkages between potential GEF projects and potential UNDP core budget projects should not lead to diluting UNDP's financing of development assistance.

We support the team's recommendation that a study be undertaken on the pros and cons of increasing the number of implementing agencies. This may benefit recipient countries in capacity building.

The proposal to allow implementing agencies to submit a range of estimates of incremental costs on the project's first submission is a sound one. This will introduce some time savings into the project cycle. The second review of the project proposals by the Council should also be eliminated to avoid any further delays.

The implementing agencies at both the GEF and the country level, as well as the focal points, should be strengthened.

Finally, I take this opportunity to express my Government's appreciation for the GEF support in successfully carrying out the enabling activities of the Conventions on Biological Diversity and Climate Change. A project on conserving mountain biodiversity was approved last year, but is yet to be implemented. It can hopefully be done within the shortest space of time. This is only the beginning; more projects are in the pipeline. They will cover Lesotho's top priority environmental problem, namely, land degradation. I believe the GEF should give strong support to such programmes, if a holistic approach to the global rejuvenation of the environment is to be achieved.

Statement of Madagascar

Oilivier Rija H. Rajohnson

Minister of Water and Forests

Madagascar se félicite d'être convié à cette première assemblée générale du Fonds mondial pour l'environnement (FEM) et adresse ses vifs remerciements au secrétariat, aux agences d'exécution, aux organisateurs, d'avoir pu faciliter notre venue à cette assise.

Au nom du gouvernement malgache, je souhaite un vif succès à cette rencontre. La délégation de Madagascar ne saurait également de souligner la chaleureuse hospitalité du gouvernement Indien et lui adresse sa vive gratitude.

Je saisis cette occasion qui m'est offerte pour vous faire part des projets qui ont bénéficié de l'appui, du FEM dans le cadre de la politique environnementale malgache.

Dans le cadre de la mise en oeuvre des résolutions de la conférence de Rio, Madagascar a bénéficié de l'appui du FEM, notamment pour le développement des activités inhérentes à la convention sur la diversité biologique.

Le pays est signataire de la convention en 1995, qui coïncide d'ailleurs à nos préoccupations majeures depuis les années 1980, avec la réalisation de la conférence nationale sur la conservation de la nature, constituant les premiers jalons de la charte de l'environnement malgache et de son plan d'action.

Cette adhésion permet de renforcer les actions déjà entreprises et de les orienter vers le souci de développement durable.

Ainsi, en 1995, les travaux d'investigations du processus participatif pour la définition des options et des priorités pour la conservation des ressources de la biodiversité, ont abouti à la tenue d'un atelier scientifique qui devrait être la base des actions liées à la gestion des ressources de la biodiversité dans le pays. Cette rencontre dont la réalisation fut appuyée par le FEM, a permis d'une part, de constituer des données sur les ressources naturelles dans des régions écologiques bien délimitées, d'autre part, de lancer les activités liées directement aux engagements stipulés dans la convention.

En effet, la monographie nationale et le rapport national de la diversité biologique, deux premières étapes de la dite convention appuyées par le FEM/PNUE, ont été publiés. Ils constituent les bases de toutes les étapes futures de gestion des ressources naturelles.

C'est pour cette raison que Madagascar, à l'instar de nombreux pays africains et asiatiques engagés dans le même processus aborde actuellement:

■ Le plan national et la stratégie de la valorisation de la biodiversité, outils d'orientation des actions à venir.

■ L'inventaire national des ressources halieutiques et marines ainsi que l'élaboration d'une politique de gestion intégrée des zones côtières, en étroite collaboration avec la région de l'océan indien.

■ Le processus de régionalisation et de programmation des stratégies et actions concertées de développement adressées principalement à des problématiques environnementales liées à la gestion des ressources naturelles.

Ce processus mondial de concrétisation des engagements stipulés dans la convention sur la diversité biologique enmène des échanges d'expériences au niveau régional et international, puisque les pays engagés se rencontrent périodiquement pour faire la situation dans leurs pays respectifs, ce qui permet d'enrichir les réflexions et d'appréhender l'évolution du programme.

Par ailleurs, Madagascar s'implique également à la procédure d'adhésion à la convention cadre sur les changements climatiques conscients des problèmes de la pollution de l'air liée à la déforestation et à la dégradation de l'environnement d'une manière générale.

Dans la mise en oeuvre de ces composantes qui s'inscrivent dans le plan d'action environnementale Malgache, l'approche programme et la recherche de la synergie, en vue d'une meilleure efficacité requiert une complémentarité et une vision commune entre toutes les composantes que ce soit au niveau national qu'au niveau régional. La cohérence entre les différentes composantes est une priorité de l'ensemble du PEII.

La stratégie du PEII repose sur les points suivants:

■ L'approche programme qui correspond le mieux au souci de cohérence et à une vision commune sur les choix et les moyens utilisés.

■ L'approche spatiale de la réduction des pressions sur les ressources naturelles et sur les ressources humaines.

■ La prise en considération des facteurs socio-économique et culturels pour la gestion durable des ressources.

■ La responsabilisation des décideurs locaux par leur intégration dans le processus de conception, de programmation et de la réalisation des actions. Ils contribuent à la définition de leurs besoins et de leurs priorités.

■ La dynamisation des structures de base en vue de l'implication des populations locales, du secteur privé et associatif dans la conception, dans la programmation et dans la gestion de projets. Ainsi, les ressources naturelles seront cogérées par les opérateurs et les communautés.

■ La déconcentration de moyens des agences d'exécution par la mise en place d'antennes plus proches des bénéficiaires.

Cette nouvelle orientation de la politique environnementale malgache que nous avons adoptée, va dans le droit fil des recommandations et des principes du FEM à savoir:

■ Concordance des activités financées par le FEM avec les priorités rationales permettant un lien

durable entre les apports des projets et les effets positifs sur l'environnement mondial.

■ Association des secteurs privés à toutes les étapes de la conception et de l'exécution du projet.

■ Large participation du public pour une appropriation.

■ Prise en compte des critères socio-économique et culturels.

■ Prise en compte de l'avis des communautés, de leurs besoins et de leurs aspirations.

Le Gouvernement malgache souhaiterait donc bénéficier, comme auparavant, de l'appui du FEM, pour la recherche d'alternatives viables et durables permettant de préserver la nature malgache qui est reconnue comme un patrimoine mondial.

Statement of Malawi

Mayinga Mkanda Wire

Minister of Forestry, Fisheries and Environmental Affairs

Malawi has made great strides in the implementation of sound environmental management and sustainable development since the United Nations Conference on Environment and Development (UNCED) in Rio, Brazil, in 1992. The first step was to develop an institutional structure for environmental and natural resource sectors. This included projects on the review and development of policies, acts and environmental impact assessment guidelines. It also benefited some programmes on environment. This process utilised financial resources from different donor organizations. However, there are some areas requiring small funding which may not have been adequately addressed. It is pleasing to note that the establishment of the Global Environmental Facility is addressing some of these areas.

Malawi has already started benefiting from the GEF. This brief statement gives an outline of the implementation of the GEF programmes in Malawi.

PROGRAMMES

To start the implementation of the programmes in GEF, a national operational focal point was established in the Environmental Affairs Department under the Ministry of Forestry, Fisheries and Environmental Affairs. This was followed by the establishment of a national steering committee comprised of the Government, nongovernmental

organisations, private sector and the donor community.

To create awareness to different stakeholders on the procedures of accessing grant funding from GEF, a national workshop was organised. This workshop resulted in awareness of the type of projects that could be funded through GEF. Several project proposals were submitted thereafter to the GEF operational focal point.

PROJECTS IMPLEMENTED UNDER GEF

Even before the establishment of the operational focal point, Malawi had already started accessing funding from the GEF. The projects which are receiving resources under GEF are:

■ **SADC/GEF Biodiversity Project.** This project is addressing the biological conservation of Lake Malawi in collaboration with Tanzania and Mozambique which share the lake.

■ **Mulanje Mountain Conservation Trust.** This is responsible for the conservation of biological resources around the Mulanje Mountain Massif with full participation of the Government, nongovernmental organisations and local communities surrounding the mountain areas.

■ **National Biodiversity Strategy Action Plan.** This project carries out biological diversity inventory in the country, identifies gaps, and develops strategies and action plans which will form a basis for project

ideas for the conservation and sustainable use of biological resources.

■ **Climate Change Programme.** This project helped Malawi take an inventory of greenhouse gas (GHG) emissions, vulnerability and mitigation measures. This will give an indication of Malawi's contribution to GHGs. This is important because strategies can be developed to reduce the levels.

■ **Renewable Energy for Malawi.** This project aims at the establishment of a renewable energy training centre. The purpose is to develop capacity in renewable energy technologies in the country.

■ **Southern Africa Botanical Network (SABONET).** This project aims at building capacity of plant scientists and support staff in Southern Africa's botanical gardens. It provides an opportunity for scientists to exchange information and experiences on botany.

OTHER POTENTIAL AREAS

Malawi appreciates the support received from GEF so far. It is felt that there are several other potential areas which the GEF could support. These include:

Biological diversity

- Reforestation projects by communities
- Ex-situ conservation of flora and fauna to prevent habitat loss
- Medicinal plant conservation and propagation
- Game farming in areas around national parks and wildlife reserves

Climate change/ozone layer depletion

- Alternative energy sources such as solar, biogas and wind
- Reduction of GHGs
- Phasing out of ozone-depleting substances

International and inland waters

- Catchment protection of lakes and rivers
- Flood control
- Pollution control of lakes and rivers

Land degradation

- Catchment management
- Reforestation
- Prioritization on land degradation financing is very important

PROBLEMS EXPERIENCED

- Projects take a long time to be approved.
- Interpretation of incremental costs is not well understood and there is need for a clearer definition.
- There is low (lack of) constituency or regional collaboration.

CONCLUSION

Malawi appreciates the financial support from GEF on the different projects being undertaken. However, it is felt that there is a potential for more assistance from GEF based on the areas highlighted. This will easily be facilitated by the institutional arrangement set up to coordinate and implement GEF projects.

Statement of Malaysia

Islahudin Baba

Deputy Secretary-General, Ministry of Science,
Technology & Environment

On behalf of the Malaysian delegation, I wish to join the others in congratulating you upon your appointment as Chairman of this very important Assembly. In the same light, I would also like to commend our gracious hosts, the Government and people of India, whose kindness and hospitality have made our stay in this country a truly memorable experience.

The adoption of Agenda 21 was a unique expression of universal commitment to the formation of a new global partnership—one which

would enhance sustainable economic and social development by protecting the environment on which such development depends. It was within the context of this evolving joint commitment that the GEF was conceived in 1991. Its creation thus stemmed from worldwide momentum gathering in the years prior to Rio for enhanced international action and funding to address shared environment problems.

Sadly, six years after Rio, many of the promises made at the Earth Summit remain unfulfilled. The

commitments made by developed countries at the Summit to provide “new and additional resources” have largely failed to materialize. The transfer, on concessional terms, of environmentally sound technology necessary for sustainable development in developing countries has been further delayed.

The GEF, which was replenished in 1994 to a level of US\$2 billion, remains the dominant source of funding for projects and activities aimed at addressing global environmental concerns. Although the GEF is again being replenished, my delegation is of the view that the amount remains insufficient to support adequately the needs of developing countries in meeting their commitments under the respective Conventions. In this connection, Malaysia would like to see that the monitoring, evaluation and review of the GEF be conducted in an open and fair manner so as to provide a proper assessment of the ability of GEF to assist developing countries in complying with the provisions of the respective Conventions. It would also be useful for the GEF to seek greater guidance from the conferences of the parties of the relevant Conventions as to the allocation and disbursement of the funds.

My delegation would also like to call for a review of the GEF mandate and for efforts to streamline its decision-making process to make it less cumbersome, less bureaucratic and more transparent, in line with current thinking. Although we acknowledge that the GEF has, to a certain degree, improved its transparency, there is still room for improvement. Many project proposals submitted by the developing countries do not even get through the “processing” stage and

hence are unable to obtain funding from the GEF. Other projects are hindered by the increasingly stringent requirement to obtain substantial “co-financing” in order to cover the sustainable development components of the project.

The above concern, I believe, has some relevance to the issue of “incremental costs,” a concept which is still causing much difficulty and misunderstanding in the field, particularly relating to the calculation of such costs. We would therefore like to propose that the recipient countries be brought into the consultation process in determining and ascertaining such costs, so that a mutually agreeable methodology may be found for estimating incremental costs.

Finally, my delegation would like to emphasise that the implementation of Agenda 21 is a global commitment. However, this commitment can only be achieved if sufficient financial resources are made available for financing projects—not only for global environmental benefits, but also local sustainable development and poverty reduction programmes. In GEF terms, if sufficient “baseline” funding is not available to meet sustainable development objectives, then GEF projects cannot take place. Potential national and global environment benefits will in this case be forgone. The goals and funding of Agenda 21 and GEF are thus inextricably intertwined, and should be considered as such.

In conclusion, Malaysia hopes that this first Assembly of the GEF will provide the needed political push to make the GEF the most significant financial accomplishment of the Rio Summit, and to move the sustainable development agenda forward.

Statement of Maldives

Abdul Rasheed Hussein

Minister of Planning, Human Resources, and Environment

It is indeed a great pleasure for me to be here in New Delhi today, to participate in this first Assembly of the Global Environment Facility. This Assembly provides us a valuable opportunity to exchange our views on the current policies and operations of the GEF and to suggest strategies and options for the future. In this context, I would like to thank the Government of India for hosting this important meeting. It is also my pleasure to congratulate you, Mr. Chairman,

on your election to lead this important assembly.

The Global Environment Facility has a very important role to play in the road towards sustainable development. At the Earth Summit, six years ago, governments recognized that very large investments are needed to implement Agenda 21, to which the nations of the world committed themselves at Rio de Janeiro. At the Earth Summit, it was also agreed that the United Nations’ Global Environment Facility should have sufficient flexibility to help developing

nations meet the additional expenses needed to carry out Agenda 21 projects. We appreciate the efforts undertaken by the Global Environment Facility since the historic Earth Summit, and hope that it will continue to play the very important role defined for it, guided by the nations of the world.

I would also like to recognize here that at present we are implementing two projects in Maldives with the assistance of the Global Environment Facility. The first project is the Climate Change Enabling Activity. Under this four-year climate change project, the National Greenhouse Gas Inventory, Vulnerability Assessment, Mitigation Plan and Adaptation Strategy of Maldives will be prepared and the first national communication to the Climate Convention will be developed. The second project is for biodiversity conservation. Under this project, the National Biodiversity Strategy and Action Plan will be developed. I would like to thank the UNDP for the crucial role they played in securing financial assistance for these two projects.

I want to mention here three important aspects which I believe this Assembly should pay special attention to.

First is on the structuring of GEF. The small island developing states (SIDS) have very unique characteristics, and as a result face development problems that are equally unique and very difficult to overcome. The small island developing states are also the most vulnerable nations to the predicted climate change and associated sea level rise, and their very survival is threatened in some scenarios. The United Nations has recognized the special development needs and vulnerability of the SIDS, and the Global Conference on the Sustainable Development of Small Island Developing States was held in Barbados to address this issue. The Conference adopted a programme of action, and we need to implement this action programme urgently. We believe that the Global Envi-

ronment Facility has an important part to play in the sustainable development of small island states, and I would like to stress here the importance of the adequate representation of small island developing states in the GEF structure. We believe it is appropriate and it is time to have a constituency of small island developing states in the structure of GEF.

The second aspect is the issue of adaptation to climate change and capacity building. Countries like Maldives are among the most vulnerable to the predicted impacts of climate change. With over 80% of our land area just one meter above sea level, a rise in sea level of one meter could entirely submerge our country. We do not want that to happen. We want to take action. In this context, I would like the Global Environment Facility to seriously consider the provision of assistance to the most vulnerable developing countries towards adaptation to the predicted climate change and in capacity building. Coastal defense structures and integrated coastal zone management programmes have now become a priority in our development agenda.

The third element is making GEF more user friendly. In the little experience we have had with the GEF, we have noticed that the process could be made more user friendly so that delays and misunderstandings could be overcome. We do appreciate the work presently being undertaken in this regard and hope that good suggestions would come from this Assembly towards this.

We in Maldives are committed to sustainable development, and we will play our part in the global partnership. To facilitate the achievement of our aim—survival and sustainable development—the Global Environment Facility has a very important part to play. It is my sincere hope that in the dialogue and exchanges we have the distinguished delegates would pay attention to these issues.

Statement of Mali

Soumaila Cisse

Minister of Finance

C'est un insigne honneur et une grande fierté pour moi de prendre la parole devant cette auguste assemblée.

Soyez en remercié au nom de mon Gouvernement et de mon pays, le Mali.

Permettez-moi de vous féliciter pour la qualité et la profondeur de votre exposé, d'appuyer vos recommandations et de reconnaître avec vous que les moyens mis à la disposition du fonds pour l'Environnement Mondial sont insuffisants eu égard aux nombreux défis à relever.

J'ai choisi de vous parler d'un seul sujet, non pas parce qu'il est le plus difficile ou le plus important mais simplement parce qu'il s'agit de l'avenir de millions d'hommes, de femmes et d'enfants, de la survie de nombreux animaux et de la sauvegarde de la faune et de la flore.

Le fleuve Niger, Monsieur le Président mérite à mon sens toute l'attention de votre aimable auditoire.

Le fleuve Niger, "Djoliba" comme on dit chez moi est le témoin sinon un des acteurs de l'histoire millénaire de l'Afrique de l'Ouest. C'est autour de lui que se sont battis ces empires glorieux de Ghana-Mali et Songhoï. Ce sont ses rives qui abritent les patrimoines culturels reconnus par l'UNESCO que sont:

Djenné,

Tombouctou,

Le Plateau Dogon,

3^{ème} fleuve d'Afrique avec 4130 km et 9^{ème} du monde avec son bassin géographique (2 millions de km²).

Il est aujourd'hui menacé par une dégradation qualitative et surtout quantitative des eaux, et par une dégradation de l'habitat sous le double effet de la sécheresse et de la pression anthropique.

Depuis près de 25 ans, le Sahel connaît une sécheresse pluviométrique persistente qui a conduit:

- A une réduction considérable des apports naturels moyens du fleuve d'environ 40% par rapport aux débits moyens mesurés entre 1907 et 1973.

- A une baisse de la recharge des aquifères alluviaux se traduisant par un effondrement des étiages du fleuve.

- A l'ensablement continu des affluents et du lit principal.

Le fleuve Niger et ses écosystèmes associés sont donc fragilisés dangereusement sous les effets conjugués et qui sans doute se renforcent d'une rupture persistante du régime des pluies et des pressions exercées par des populations pauvres sans alternatives.

Comme il n'est plus possible de garantir que cette rupture du régime des pluies est réversible, il est essentiel de considérer la juste mesure de la situation et de se préparer aux conséquences potentielles d'une poursuite ou d'une aggravation de la sécheresse actuelle.

De part sa position géographique, sa superficie, et son rôle écologique au plan régional et mondial le delta intérieur du fleuve Niger est considéré sur le plan international comme l'une des zones inondées les plus importantes de la planète et un biotope exceptionnel en zone sahélienne. Il est en effet à l'origine d'une diversité de ressources végétales et animales naturelles unique et d'une importance fondamentale.

L'importance écologique internationale du fleuve et son delta intérieur se caractérise par:

- La migration des oiseaux, car sur 350 espèces 108 sont des migratrices paléartiques (provenant des régions froides de l'hémisphère Nord pendant l'hiver).

- Sa biomasse importante, piège aux oxydes de carbone.

- Son rôle de barrière naturelle contre la désertification et fixation des populations pour empêcher leur exode massif vers les capitales et éviter d'ajouter des désastres sociaux et environnementaux dans la périphérie des centres urbains déjà saturés.

C'est pour toutes ces raisons que j'en appelle à cette assemblée et à travers elle au monde entier, au nom de la Guinée, du Mali, du Niger, du Nigeria, de la Côte d'Ivoire, du Bénin, du Burkina Faso, du Cameroun pour une stratégie de sauvegarde et de gestion durable du fleuve Niger.

Les populations riveraines du fleuve Niger et de ses rivières vivent dans une zone aride menacée dans ses équilibres fondamentaux, elle est l'une des plus pauvres du monde.

Ces populations dépendent souvent entièrement des activités liées aux eaux: eau de boisson, pêche, élevage, petite et moyenne irrigation, énergie, navigation, tourisme, etc.

Aujourd'hui ces populations luttent contre la pauvreté: Etancher la soif. Manger à sa faim. Eduquer ses enfants. Soigner la maladie. Se loger.

Demain, sans une action de sauvegarde du fleuve, la lutte sera celle de la vie tout simplement: Vie humaine. Vie animale. Vie végétale.

Il est urgent d'agir, il est urgent de se souvenir de ce qu'était le Sahara, il est urgent de sauver le fleuve Niger.

Statement of Mexico

Mario Garcia Barajas

Deputy Director, Ministry of Finance

(Intervencion del Embajador de Mexico en la India)

Es un honor y un gusto poderme dirigir a Ustedes en esta fecha memorable. Memorable para nuestro país anfitrión que en ocasión de la celebración del cincuenta aniversario de su independencia muestra una vez más su hospitalidad, desplegando el enorme esfuerzo que representa la organización de este evento, al servicio como siempre de las mejores causas que unen a todos los países aquí reunidos.

A nombre de mi país, quiero expresar nuestro más sincero reconocimiento y agradecer las atenciones que nos han brindado en todo momento.

En 1991, México ratificó su participación en la fase piloto del Fondo. Tras haber participado activamente en la Cumbre de la Tierra y comprometiendo su respaldo a la convenciones allí adoptadas, formalizó en 1994 su participación en el GEF reestructurado. Hoy, celebramos con esta Asamblea la culminación exitosa del proceso para la reposición del Fondo.

Siete años han servido para consolidar no sólo la administración del Fondo sino destacadamente para consolidar su posición como el instrumento innovador por excelencia, para el financiamiento multilateral al medio ambiente global.

La cartera de proyectos, que no se habrían podido realizar sin el apoyo del Fondo, atestigua la importante función que cumple y habrá de seguir cumpliendo en su carácter de catalizador del cambio.

Innovar no es fácil, requiere de un instrumento ágil, inteligente y audaz para explorar nuevas opciones, pero sobre todo para transformar las actitudes y las estructuras de los gobiernos, los organismos internacionales, los sectores productivos y la sociedad de consumidores.

México se ha trazado como meta la promoción de un desarrollo sustentable entendido como el balance de las variables económica, ambiental y social. El GEF ha contribuido en el avance de los objetivos nacionales, sumando de una manera creativa, sus recursos a los recursos del sector privado, del gobierno y de las agencias de cooperación.

Destacan por su magnitud, dos operaciones de la fase piloto que permitieron constituir en México un fideicomiso de administración, ILUMEX, que combinó recursos crediticios del Banco Mundial, recursos de la cooperación Noruega y una donación del GEF, para el ahorro de energía en el alumbrado público de

una de las mayores ciudades de nuestro país, en el marco de los objetivos de la Convención de Cambio Climático; y un fondo patrimonial para el financiamiento a perpetuidad del gasto recurrente para la conservación de 10 áreas naturales protegidas calificadas como reservas de la biosfera.

Dos historias de éxito que tuvieron en común el esfuerzo desplegado por el Banco Mundial y el propio Secretariado del GEF y la utilización pionera de los mecanismos financieros descritos.

En la preparación de la Estrategia de Biodiversidad y con apoyos para estudios sobre el cambio climático, contamos en México con una gestión ejemplar coordinada entre el Programa de Naciones Unidas para el Medio Ambiente y el Programa de Naciones Unidas para el Desarrollo.

Recientemente, iniciamos la preparación de varios proyectos en las cuatro áreas focales del GEF, poniendo en práctica la convicción de trabajar coordinadamente con las tres agencias y desarrollando un enfoque de sinergia entre los objetivos de las convenciones con el objeto de lograr la mejor aplicación de los recursos combinados del país y del GEF en búsqueda de los objetivos ambientales compartidos.

En la delegación mexicana están representadas junto con la Secretaría de Relaciones Exteriores, la de Hacienda y Crédito Público, y la de Medio Ambiente, Recursos Naturales y Pesca; y destaco esto no sólo porque es una muestra de la importancia que el Gobierno de México confiere a la celebración de esta Asamblea, sino porque es una convicción que en la construcción de un desarrollo sustentable, es necesario convocar los esfuerzos de todos los sectores.

El GEF, las convenciones y la Comisión de Desarrollo Sustentable han compartido esta convicción de convocar a los principales actores económicos y a la sociedad civil en la cruzada por el medio ambiente mundial. Especialmente, el GEF ha contribuido, a través de la viabilidad de proyectos ambientales, a unir en la práctica a los sectores y grupos interesados, desarrollando y desarrollándose en este terreno novedoso.

Como un instrumento del cambio, como un instrumento innovador, el GEF es un proceso de construcción de consensos, de conocimientos y de medios para apoyar este cambio. Por ello, entendemos que el

Instrumento que le da origen, ha determinado con precisión el papel relevante del Consejo cuya función de acompañamiento y orientación de las acciones del Secretariado es tanto más necesario en cuanto que se trata de un proceso de aprendizaje e innovación. A diferencia de otras instancias donde las tareas y los métodos están predefinidos al momento de su creación, en el caso del GEF su consolidación es mérito por igual del empeño del Secretariado como de la orientación de su Consejo.

Esta Asamblea ha conocido de los logros del GEF. Ello nos permite revisar como indica el Instrumento en la definición de las funciones de la Asamblea, los grandes lineamientos de política que le rigen y formular lineamientos de gran visión que habremos de evaluar al cabo de 3 años. Estos deberán apoyar la gestión continuada del Consejo, a través de sus reuniones semestrales y de los procesos intersesionales.

Coincidimos con las conclusiones del Estudio de Desempeño, del Informe del Secretariado y de el propio Consejo, relativas a la necesidad de reforzar los mecanismos de evaluación y seguimiento. Una evalu-

ación permanente es indispensable en un proceso innovador como el que nos ocupa.

El seguimiento y evaluación continuos contribuirán también a avanzar en los grandes temas que se perfilan para el próximo Consejo, entre los que destacan la creación de Fondos para la Conservación, la posibilidad de definir un costo incremental atribuible a riesgo para fomentar la inversión privada, analizar mecanismos ágiles para incorporar acciones de Respuesta a Emergencias, y aún para incorporar a título experimental, nuevas agencias implementadoras para el manejo inicial de pequeñas o medianas donaciones.

Reitero a Ustedes nuestro reconocimiento al esfuerzo desplegado por el gobierno anfitrión y el Secretariado del GEF para la realización de esta primera Asamblea del Fondo para el Medio Ambiente Mundial, a la familia GEF por la construcción de una venturosa alternativa para apoyar el tránsito hacia el desarrollo sustentable en beneficio de las futuras generaciones; y en este reconocimiento reitero el compromiso de México de seguir compartiendo el reto de construir el GEF del próximo milenio.

Statement of Myanmar

U Ye Myint

Minister Counselor, Embassy in New Delhi

I would like to thank the Chairman for giving me the opportunity to address this august Assembly and to congratulate him and other members on their election to the Bureau. Also, I would like to express our sincere gratitude to the Government and people of India for their generosity and efficiency in hosting this first Assembly of GEF.

Yesterday, I had the opportunity of meeting with a

representative of FAO who conveyed to me the good news that the GEF Block B Proposal, "Environmental Management of the Bay of Bengal Large Marine Ecosystem," was approved by the GEF Secretariat. In this regard, I would like to convey our deep appreciation to the GEF Secretariat.

We hope that more funds and technical support will be forthcoming to our region in the future.

Statement of Nauru

Kinza Clodumar

President

(on behalf of Pacific Island Country Participants)

On behalf of Pacific island country participants in the GEF Assembly—namely, the Federated States of Micronesia, my own country Nauru, Samoa, the Solomon Islands, and Vanuatu—may I congratulate you on your election and on the guidance you have provided throughout the deliberations of the Assembly.

The CEO in his report to the Council clearly highlighted the interdependence of our countries and the impact global environmental issues have on long-term economic prosperity for us all in saying “Never has the time for international cooperation to every nation’s own benefit been more ripe.”

We must pick this ripe fruit now before it is no longer worth eating.

We are, along with our brothers and sisters of the Caribbean and Indian Oceans, referred to as Small Island Developing States, or SIDS. But we also think of ourselves as Big Ocean Developing States—BODS—and, as such, we are custodians of vast reserves of biological resources, both on the limited land and the expansive oceans we are responsible for. We therefore have a special role and responsibility in international environmental affairs.

We are trying to do our share in the international arena. For example, we led the successful effort to ban radioactive waste dumping at sea. We have played an active role in climate change negotiations, although we contribute negligibly to the problem. Regionally, we have prepared a Strategic Action Program for International Waters in the Pacific adopted by heads of government in September last year; and since 1993, we have commenced 17 community-based conservation areas throughout the region.

Our experience has shown that, in the relatively brief period since its inception, the GEF has played a significant role in addressing global environmental issues. The GEF has also played a significant role in these initiatives in our region, from its pilot phase and in its first replenishment since the instrument came into force. Like any new organization, there have been growing pains. These have been related, for example, to the need to streamline delivery mechanisms, to raise awareness of its role and procedures, and to harmonise approaches and mainstream the environment within its implementing agencies.

We are pleased that responsible steps have been taken to start to address these issues. The recommendations proposed in the CEO’s report continue this work. While we are generally supportive of the range of recommendations proposed, there are specific issues that require elaboration. We will address six of these.

The first is a favourable enabling environment.

The CEO’s report recommends increasing the awareness and understanding of the GEF’s role. It highlights the importance of the wide range of stakeholders that must be included in GEF activities and understand environmental issues and the role of the GEF at a national level. In our region, the roles of local communities and NGOs are critical to sustainable development. In this regard, the specific priority recommendation contained in the study of the GEF’s overall performance for the translation of important information into local languages must be acted upon. To further create a favourable enabling environment, stakeholders must not only be aware but also be active partners. There is nothing like “learning by doing,” and in this regard the use of smaller scale funding modalities—in particular, the GEF Small Grants Scheme—would be especially valuable in Pacific Island countries. The regional approach to delivery of the Small Grants Scheme proposed by Pacific Governments in 1995 and now in place in the Caribbean may be a good starting point.

The second issue we wish to address relates to country-driven activities and sustainability.

Ensuring ownership and the sustainability of impacts beyond the life of the GEF investment are essential. In our region, communal ownership and traditional systems of management account for 80% of the land (often including the adjacent marine area). The time taken to consult effectively with resource managers is often lengthy but has proven to be critical to the success of environment and sustainable development initiatives in Pacific Island countries, and I am sure this is true elsewhere in the world. The time required can be significant, often more than five years, and is often not taken into account in the project design and rules governing the delivery of funds. This issue must be addressed in GEF projects and programmes if we are to act locally and benefit globally.

The third issue concerns the coordination of focal points and activities.

Coordination is essential, but it is important to build on existing coordination mechanisms. The point is especially pertinent for us in the Pacific because the regional approach is a proven and effective delivery and implementation mechanism. Pacific Island states, because of the very integrated nature of development, have grappled with the issue of coordination for many years. At a regional level, we have established the South Pacific Organisations Coordinating Committee that has been used very effectively—for example, in coordinating the development of the Strategic Action Program for International Waters in the Pacific Region and its implementation proposal to be presented to the GEF.

The fourth issue is sector-based development and the costs of integrating the environment.

Development is still largely focused by sector in our region. Yet we know that the interactions between sectors, particularly in small islands, and the integration and mainstreaming of environment is critical to sustainable development. It will be important for the GEF and its implementing agencies to demonstrate through their projects and policies how to integrate and mainstream the environment.

The fifth issue concerns specifically the relationship between the GEF and the Climate Change Convention.

Closer working relationships between the GEF Secretariat and the Convention Secretariats are actively encouraged, as they have been in the past. In relation to the Kyoto Protocol, which we hope will come rapidly into force, it will be important to define the relationship between the GEF and the Protocol's clean development mechanism.

The sixth issue we wish to address concerns enabling activities and capacity building.

We are actively engaged in enabling activities, but further extensive capacity building is required for lasting impacts. In this regard, it is essential that any review of enabling activities look specifically at the capacity building required for effective implementation of GEF activities. The application and implementation of GEF programmes to many different countries in a vast region also underlines the need for continued information and dissemination and awareness raising of the GEF's role and procedures and the streamlining of the project cycle.

As we move closer to harvesting this ripe fruit of international cooperation, may I reiterate our support for, and recognition of, the very positive approach taken by the GEF. The issues are complex, but this meeting clearly demonstrates there is the commitment necessary to invest wisely, to eat well. This group of shareholders looks forward to being actively engaged in the GEF as it develops further.

Statement of the Netherlands

K.A. Koekkoek

Director, Ministry of Foreign Affairs

It is with great pleasure that we have come to New Delhi to take part in the first ever Assembly of the Global Environment Facility. The Netherlands would like to thank the Indian Government for showing its hospitality in hosting this event.

As this is both a serious and a festive occasion, I should like to make a few points that reflect both elements.

The GEF has come a long way as has been made clear in the performance report. Not that all global problems have been solved, or even sufficiently addressed. But the various actors—the conventions, the implementing agencies, the Secretariat—have managed to get their act together for the most part.

And the framework is there—the policies, the priorities, the programmes.

To put matters in perspective, however, even a perfectly functioning GEF will not be up to taking on all global environmental problems on its own—far from that. They are simply too large-scale. The proper role of the GEF is that of the pilot, or better even the tugboat, guiding the relevant actors globally and locally to a more sustainable course of development. In other words, the ultimate goal is to mainstream global environmental concerns into daily activities—the daily activities of multilateral organisations, national authorities and development cooperation agencies. It is that role that the Netherlands is particularly keen to see fulfilled. We know it will be no easy task.

For the GEF to play this role properly, many conditions must be fulfilled. As I said before, the policies, priorities and programmes are there. But these must be allowed to evolve over time, to reflect changing perceptions and preferences. The GEF must be flexible and dynamic in addressing old and new concerns, where they are related to the four focal areas of the GEF, and always within its mandate of global benefits and incremental costs. Think of persistent organic pollutants, think of desertification to name just two.

For the GEF to play this role properly, it must have credibility and clout. Credibility and clout have been fostered by a successful replenishment. Credibility and clout can be continually enhanced if the actors within and around the GEF send out the same messages.

The Netherlands is convinced, judging by its past performance, that in the coming years the GEF will be able to live up to our expectations. We think the global commons deserve as much.

Statement of New Zealand

Darryl John Dunn

Director, Ministry of Foreign Affairs and Trade

We are a small contributor to the GEF, and this year we are also representing our constituency of New Zealand, the Republic of Korea, and Australia on the Council.

This first Assembly is an historic opportunity to look at where the GEF has gone and where the future lies.

The GEF has only been in operation for a short time, but it has made impressive progress in defining its role, its operational procedures, and its “family”—the system of the Convention Secretariats, the implementing agencies, the national focal points and the Facility itself—that determine what the GEF does and how it does it.

Under the able leadership of its CEO, and with the guidance of its Council and participating states, the GEF has shown a constant determination to improve the focus, efficiency and effectiveness of its operations. The papers before this Assembly identify areas where there is a need for more improvement. I will highlight three of them: the mainstreaming of GEF objectives in the policies and programmes of the implementing agencies, national governments and other development agencies; the partnership with the private sector; and a strong monitoring and evaluation system.

We are in early days for the GEF, which has still to make its mark in many countries. In order to mobilise as many countries as possible, flexibility and responsiveness to local conditions remain important. I would like to make special mention of our own South Pacific region: the GEF needs to find cost-effective

ways of engaging the small island states for whom problems like climate change are of vital importance. More and more in the future, however, the GEF will need to focus on its own specialised role within a wider global effort. The mainstreaming of GEF’s objectives across development agencies and at the national level is the key to gaining maximum impact from GEF’s limited resources.

For the GEF cannot do it all. Whether the problems are local, regional or global, action on the environment begins at home. The response to problems like climate change or the global loss of biodiversity will not be effective if it is confined to action at the margins, or by simply penalising environmentally unsustainable economic activity. The need is much more radical: economic development must be reinvented so that the private sector is motivated to produce environmentally sound growth. This of course goes for all countries, developed and developing.

No amount of aid overlay will fix the fundamental problem. Nothing the GEF or the implementing agencies can do will succeed in the long term unless the productive sectors in the countries in which they are operating have incentives for good environmental performance within a responsible and coherent regulatory framework. The role of governments in this is crucial, for they set the frameworks and need the capacity to implement and monitor them. The GEF and other development agencies can assist in partnership with committed governments. But we must also look at innovative, commercially sustainable ways, such as the Kyoto Protocol’s clean development mechanism, to promote the transfers of

investment and technology needed by developing countries.

We are concentrating now on making the GEF a more efficient operation, more effective in its outputs, and more widely involved in developing countries. We must, in the future, look to the outcomes we expect in terms of the four focal areas and what difference the GEF has made to achieving them. A sound

monitoring and evaluation programme is essential for informed judgments of GEF performance whether at the project or the global level. We will be seeking an assessment of GEF's global impacts, at least by commencement of the third replenishment.

However efficient the GEF may be, however "fit" the organization, it will not succeed except as part of the widest global effort.

Statement of Niger

Kimba Hassane

Councillor, Executive Secretariat, National Council of the Environment for Sustainable Development

Votre brillante election à la Présidence de cette Première Session de l'Assemblée du Fonds pour l'Environnement Mondial nous offre l'agréable occasion de vous présenter nos vives félicitations ainsi que nos vœux de succès dans l'accomplissement de votre noble et exaltante mission.

Au Président, Directeur Général du FEM, Son Excellence, Monsieur Mohamed T. El-Ashry, et à toute son équipe, je voudrais au nom de la délégation nigérienne exprimer notre total soutien, et nos vifs encouragements pour la poursuite du remarquable travail accompli ainsi que toute notre appréciation pour la constante disponibilité dont ils ont fait preuve.

Point n'est besoin de rappeler que mon pays, le Niger, pays sahélien souffre déjà des conséquences contraignantes de la dégradation de l'environnement qui assaillent le monde, j'ai nommé ici: changements et variabilité climatiques caractérisés par une persistance de la sécheresse depuis le début des années 70; le phénomène el Niño et la Désertification avec ses conséquences sur la conservation de la diversité biologique. Aussi, avec ces problèmes environnementaux il faut s'attendre à des effets négatifs qui vont perturber nos économies, à rendre nos récoltes aléatoires, à rendre difficiles les remboursements de nos dettes; à compromettre nos équilibres sociaux pour tout dire.

Pour nous, l'Assemblée de New Delhi représente le Forum où nous devons examiner les politiques, les opérations et les perspectives de développement du Fonds pour l'Environnement Mondial.

Aussi, je ne manquerai pas de porter à la bienveillante attention des éminentes délégations ici

présentes, les considérations suivantes auxquelles mon pays attache une importance particulière:

- Faire du FEM un mécanisme souple et permanent de financement des plans, programmes et projets pour la préservation de l'environnement globale.
- Développer une stratégie d'information et de sensibilisation à travers les groupes cibles (partenaires au développement, société civile, structures étatiques).
- Elaborer un plan d'actions afin d'assurer une meilleure coordination et suivi des activités du FEM.

La priorité pour le Niger, comme l'a dit à plusieurs reprises le Président de la République, Son Excellence Monsieur Ibrahim Maïnassara Bare, reste et demeure la lutte contre la pauvreté pour un développement humain durable.

C'est l'objectif qui a présidé à la création en 1996 au Niger, d'une structure nationale de coordination en matière de politique environnementale: le Conseil National de l'Environnement pour un Développement Durable, cadre permanent de consultation, d'orientation, d'harmonisation et d'intégration des aspects environnementaux des politiques sectorielles de développement économique et social. Cette institution nationale comportant des structures décentralisées et des commissions techniques parmi lesquelles la commission technique nationale sur le financement du Plan National de l'Environnement pour un Développement Durable, la commission technique nationale sur les changements et variabilité climatiques, la commission technique nationale sur la Diversité Biologique et la commission technique nationale sur la Lutte contre la Désertification. Toutes ces structures sont chargées de coordonner et de superviser la mise en oeuvre des dif-

férents programmes et projets relevant du domaine de l'environnement qui seront financés par le FEM.

Je voudrais à ce niveau préciser que mon pays, le Niger, grâce au soutien du Programme des Nations Unies pour le Développement et du Fonds pour l'Environnement Mondial prépare actuellement sa première Communication Nationale sur les Changements Climatiques, sa Stratégie et son plan d' action en matière de diversité biologique. C'est aussi, l'occasion de remercier ces deux institutions pour ce précieux concours.

Pour faire face aux conséquences des problèmes environnementaux dans un pays comme le Niger, il faudra nous le savons tous, aussi bien des ressources financières qu'un transfert de technologies, transfert au sens global de renforcement des capacités nationales à travers les structures étatiques et la société civile. Il nous faudra aussi déterminer des modalités

souples de mise en oeuvre des micro-financements et déterminer des indicateurs de performances en vue d'évaluer les impacts des projets sur l'environnement. Il nous faudra enfin aussi élaborer un mécanisme de suivi des recommandations issues de cette Assemblée.

C'est pourquoi, Monsieur Le Président, nous prions à travers vous le Président Directeur Général de bien vouloir, en collaboration avec les institutions spécialisées des Nations Unies, d'examiner la possibilité de financer la mise en oeuvre du Plan National de l'Environnement pour un Développement Durable dont notre pays sera doté au cours de cette année.

Je ne saurai terminer mon allocution sans remercier vivement le Gouvernement de l'Inde et la population de cette magnifique cité de New Delhi pour l'accueil combien chaleureux dont nous avons été l'objet.

Statement of Nigeria

Ralph O. Adewoye

Director-General, Federal Environmental Protection Agency

I would like to congratulate the Chairperson on his election to steer the affairs of this august Assembly and wish him and other members of the pioneering Bureau of the GEF Assembly a very successful tenure. I would also like to thank the Government and people of India for the kind gesture to host this very first meeting of the GEF Assembly. My delegation also wishes to commend the GEF Secretariat under the able leadership of Mr. Mohamed El-Ashry, as well as the GEF Council for taking this special initiative to organise the Assembly and associated meetings outside Washington which has been the traditional venue for most GEF events.

I recall with delight Nigeria's active participation in the work of the preparatory committees of the United Nations Conference on Environment and Development as well as the country's role in the adoption of Agenda 21 at the Rio Conference, which gave recognition to GEF as a major financial mechanism for achieving sustainable development.

From the GEF pilot phase, through its restructuring in March 1994 shortly after which Nigeria deposited its notification of participation and up till this very moment, Nigeria has watched with keen interest the tremendous progress the GEF Governing Structure has made towards the fulfillment of its onerous man-

date. My delegation especially welcomes the GEF overall performance in the areas of biological diversity and climate change, particularly in its ability to leverage additional funding for global environmental benefits from both implementing agencies and other funding sources. We therefore commend the new drive towards private sector participation in GEF activities and would urge that further encouragement of private investors through innovative risk-sharing instruments such as loan guarantees be favourably considered.

I am delighted to inform this Assembly that in addition to our past contributions and commitments, Nigeria has further pledged the sum of SDR 4 million towards the second GEF replenishment and is poised to play a more active and collaborative role with the entire governing structure of GEF and indeed other participating governments.

My delegation wishes to observe that there is a low level of GEF funding for environmental activities in the countries of the West African Sub-region. I also wish to draw the attention of this Assembly to the suspension of the US\$25 million Escravos Flared Gas Reduction Project due to what was termed the macro-economic policy framework of the country. The project was negotiated during the GEF pilot phase.

In view of our experience, it is pertinent that this

Assembly discusses the rationale behind the making of GEF grants or concessional financing contingent to extraneous issues such as economic adjustments, trade liberalization, and institutional reforms in developing countries. The question is “will such linkages not frustrate our collective resolve to implement Agenda 21 and the environment conventions, thereby slowing down the global march towards sustainable development?” Permit me to state that environmental problems of global importance cannot wait for fundamental reforms to take place at the national level before action could be taken to address them.

In considering the policies, operations and future development of the GEF, Nigeria would like to support the International Finance Corporation’s search for potential projects under its small and medium enterprise activities which are of benefit to the global environment. Emphasis on the development of a viable GEF outreach and communication strategy, enhancing the capacity of operational focal points, and involvement of stakeholders—particularly NGOs—at the different stages of the GEF project cycle should be continued.

Of particular importance to my delegation are the crucial roles of STAP in providing strategic advice on global environmental issues and selective review of

projects. In performing these roles, consideration should be given to the involvement of regional experts in order to ensure the regional ownership of GEF projects, among other reasons.

With the second GEF replenishment almost completed, Nigeria hopes to cover the backlog of potential projects through the submission of viable proposals in the areas of biological diversity and climate change for possible funding by GEF. Towards this end, the country has established an inter-ministerial committee to scrutinize project ideas for subsequent review by the GEF Secretariat and the implementing Agencies.

Finally, the issue of the composition of the two constituency groupings for West Africa on the GEF Council is yet to be resolved. My colleagues from the Sub-region would ask that this Assembly resolve this issue once and for all. This would be in accordance with the decision of the 18th Summit of Heads of States and Governments of the Economic Community of West African States (ECOWAS), held in Accra, Ghana, in July 1995, as elaborated by both the 38th and 39th Sessions of the ECOWAS Council of Ministers. It is my hope that the consent of all concerned parties shall be communicated to the GEF Secretariat before the end of this Assembly.

Statement of Norway

Leiv Lunde

State Secretary, Ministry of Foreign Affairs

It is a great honour and pleasure for me to address the first Assembly of the Global Environment Facility on behalf of the Government of Norway. May I at the outset express our gratitude to the Government of India and the authorities and population of New Delhi for hosting this important event.

Firstly, allow me to express our satisfaction that the second replenishment of GEF was agreed shortly before the Assembly. It has been a particularly important point for my country—which contributes to GEF nearly three times our relative share in the UN budget—that all donor nations respond fully and equitably to the collective challenge of global environment objectives. We have nearly achieved this objective and, on balance, an even stronger working capital basis than for GEF I.

Importantly, the GEF replenishment comes at a time when increasing priority is put on global envi-

ronmental objectives under the conventions that GEF is constructed to serve. The Kyoto Conference was the latest, and hitherto strongest, confirmation of this point. Does this, however, imply that GEF alone should take on its shoulders the responsibility for achieving global environmental benefits? The answer is quite clearly NO. The risk may be there, God forbid, that we now, post-Kyoto, enter into unproductive institutional rivalries over who should implement the flexibility mechanisms decided in Kyoto. Within the family of global environmental institutions, there must and will be plenty of room—tasks and challenges for all in a, hopefully, rapidly expanding market for greenhouse gas mitigation. The Kyoto Protocol holds promise for this.

The challenge at present for member states of both GEF and of the global conventions is to think in terms of policy consistency. A cautious and rational

approach is called for. We must attempt to define complementary and mutually supportive tasks and roles of GEF and of the market-based instruments under the Kyoto Protocol in such a way that the overall objective of greenhouse gas reductions is achieved in the most cost-efficient way. The same accounts for the institutional challenges which the new Executive Director of UNEP, Mr. Klaus Toepfer, and the members of his task force are mandated to handle within a short time span. I wish them every success in their efforts to reinvigorate and strengthen the work of the UN system within the field of the environment. Their work should be tightly linked with the overall UN reform efforts spearheaded by the Secretary General himself. Norway and the other Nordic countries are following this process closely, as overdue reforms are moving from the world of UN resolutions to often painful implementation in the field.

Moreover, in our view, the evaluation studies—not least the independent study of GEF's overall performance—clearly indicate the need for GEF to continue to concentrate on its main task: to gain gradual support, acceptance and active cooperation in realizing

the objectives set forth by the Conventions and their respective COPs. It all boils down to exploiting the catalytic role of GEF in pioneering and mainstreaming global environment objectives. The tasks of implementation should gradually be picked up and further realized by other agents than the GEF, including the market itself.

Two final observations. GEF's tools to monitor, analyze and evaluate its own activities on the basis of agreed indicators must be further sharpened. Our improved ability today to discuss meaningfully the successes and failures of GEF relies primarily on a job well done of monitoring and evaluation.

And finally, the urgency of GEF being country-driven and anchored in a strong sense of country ownership cannot be stressed enough. I fully support the proposed guidelines for follow-up action by the Council as spelled out in the policy recommendations agreed in connection with the second replenishment. I look very much forward to specific proposals for action to be prepared in this respect on ways and means to strengthen country-level ownership and coordination.

Statement of Pakistan

Ashraf Jehangir Kazi

High Commissioner for Pakistan in India

When in 1992 more than 100 leaders met in Rio de Janeiro at the First Earth Summit—United Nations Conference on Environment and Development (UNCED)—the promotion of international cooperation for the protection of the global environment was in its infancy. The UNCED at the time, however, was clear. The rich and the poor shared a common if differentiated responsibility for protection of the future of the planet. The rich industrialized countries were overwhelmingly responsible for the state of pollution and environmental degradation of the planet, and they remained the chief polluters of the earth and its biosphere. It was also acknowledged that protection of the global environment in its initial phases could never be a function of market operations, and that it needed to be supported by extra market mechanisms which provided feasible access to finance, technology and other resources.

The response to this message was the establishment of the Global Environment Facility as a financial mechanism; a three-year pilot phase started in 1991 and the restructured phase in 1994 (1994–97).

The first GEF Assembly here in New Delhi is, therefore, a timely opportunity to evaluate the working of the Global Environment Facility: to take stock of the challenges it confronts and to provide new funds for the second replenishment 1998–2002 period.

Pakistan, as one of the founding members of GEF, pledged a contribution of 4 million SDR. Since then, it has regularly contributed its share to the GEF Trust Fund. Pakistan also shares the responsibility of representing the constituency it belongs to on the GEF Council. We are accordingly gratified by the confidence reposed in Pakistan.

The existing GEF projects portfolio in Pakistan is small. However, we are working closely with the implementation agencies of GEF to expand it. There are, nevertheless, genuine difficulties, such as fully

understanding the concept of “agreed incremental costs,” amongst the prospective project proponents. There is also lack of progress in mainstreaming global environment concerns in the ever-expanding agenda of national and local environmental issues. There is inadequate operational capacity of GEF focal points. The financial sustainability of projects needs to be strengthened, and the GEF implementing agencies’ project approval cycles need to be shortened. There is also a lack of awareness of the GEF and of global environmental issues.

On our part, we shall continue to ensure full participation of the stockholders in project preparation and implementation. In this connection, I would like to particularly mention the GEF-funded project, Maintaining Biodiversity with Rural Community Development in Pakistan, which has led to the preparation of (a) village management plans, (b) village resource conservation plans and (c) village conservation funds. The lessons learned from this pilot study will be part of the Pakistan Mountain Areas Conservancy Project for the conservation of the biological diversity of these areas. We appreciate the GEF’s support. The results of these efforts are available to other countries for similar community-based projects for biodiversity and wildlife conservation.

The world is changing very fast. The dynamics of global economy have changed some of the premises on which UNCED agreements (Agenda 21, etc.) were based and programmed interventions, such as GEF, were instituted. The concept of sustainable development is being greatly influenced by accelerated economic development, trade, investments, technology and environment and the need for their integrated treatment.

The environmental conditions in the developing countries are, however, deteriorating at a much faster

rate than resources are becoming available. This has serious implications both for the local as well as the global environment. The active and effective GEF will enable these countries to develop practical ideas for the implementation of the Conventions on Climate Change and Biological Diversity. Accordingly, we request that countries that are in a position to do so should pledge adequate resources for the GEF replenishment so that the global environmental protection programme agreed to at the Earth Summit in Rio is realized.

In sum, I would like to reiterate the tasks that confront this programme, namely:

- How to ensure GEF reaches and benefits the common man. The Facility is at present only known to a few institutions and concerned individuals.
- How to ensure that GEF becomes a reliable and dependable source of funding, particularly for related development sectors, like health, education and water.
- How to increase the size and number of effective GEF projects, in the absence of which environmental issues will remain a secondary priority for the common man in developing countries.
- How GEF funds can leverage additional resources from the private sector, especially the multinationals and other donors, for global environment and influence state policies in favour of environment.
- How GEF can be made an instrument for the uplift of people, rather than subjecting them to the rigorous calculations of incremental costs.

I hope the GEF General Assembly will deliberate on all these issues and recommend concrete actions in order to make GEF a reliable source of financing global environmental activities in concert with local and national initiatives.

Statement of Panama

Dimas Arcia

Subdirector General,

National Institute of Renewable Energy Resources

La delegación de Panamá le expresa su saludo fraternal con los cálidos votos que hacemos por el éxito de su dirección de esta Primera Asamblea del Fondo para el Medio Ambiente Mundial (FMAM).

En nombre del Gobierno y del Pueblo de Panamá agradecemos al Gobierno y al Pueblo de la India, por la acogida a nuestra Asamblea. En esta acogida espléndida, se refleja la tradición de generosidad de la India.

La delegación de Panamá ha venido a esta lera. Asamblea del Fondo para el Medio Ambiente Mundial confiada en que este encuentro confirmará y adicionará voluntades al compromiso de seguir recorriendo amplias avenidas de cooperación financiera y técnica con vistas a la superación de los grandes problemas que confronta el medio ambiente mundial.

Han transcurrido 4 años desde que el FMAM fue reestructurado bajo el impulso de la Agenda 21 y como instrumento o mecanismo financiero de la Convención sobre Diversidad Biológica y de la Convención Marco Sobre Cambio Climático.

En este mismo periodo, Panamá ha dado pasos hacia adelante, ha cumplido etapas importantes en relación con sus compromisos internacionales. Para mi delegación es muy grato venir a esta Asamblea del FMAM y afar cuenta de que la Asamblea Nacional de Panamá ha dado tratamiento en primer debate de la Ley marco del Medio Ambiente, fruto de un proceso de consultas y concertación entre todos los actores de la vida nacional. Esta ley articula y armoniza el papel del Estado panameño en materia de medio ambiente.

Próximamente, el 31 de diciembre de 1999, Panamá será responsable de la operación, administración y protección del Canal de Panamá. Este es un tema que tiene una comprensible carga emocional para los panameños, pero en el plano de los asuntos que razonablemente interesan a la comunidad internacional, lo importante es la continuidad de los servicios del canal como puente de intercambios benéficos para todo el mundo.

Panamá tiene asegurada la capacidad de operar el canal, el cual necesita de mano de obra calificada y de altas competencias gerenciales.

En el mismo orden de cosas, el Canal necesita para su funcionamiento de 50 millones de galones de agua

dulce para el paso de cada barco. Por tanto, el Canal necesita una cuenca hidrográfica sana y preservada.

Panamá es un país pequeño que debe su nombre a la abundancia de vida vegetal y animal. A pesar de la depredación histórica y de los accidentes naturales, el territorio panameño sigue teniendo una gran diversidad biológica.

La aprobación por el FMAM del Proyecto Corredor Biológico Atlántico es el más reciente fruto de nuestra búsqueda de financiamiento para hacer frente a las amenazas naturales y a las amenazas antropogénicas, propiciadas por la pobreza rural.

Este Proyecto tiene además el prestigio de conformar el gran Proyecto Corredor Biológico Mesoamericano, cuya ambición más alta es la de contribuir, en el plano ambiental, al desarrollo sostenible de toda la región mesoamericana.

Con la cooperación y financiamiento internacional se empezará a ejecutar próximamente un Proyecto para el Desarrollo Sostenible de Darién. Se trata de un Proyecto localizado en la región fronteriza con Colombia, que es un territorio particularmente rico en recursos forestales y en general en diversidad vegetal y animal. El éxito de ese proyecto significará, entre otros logros, aliviar la pobreza y por esa vía asegurar el medio ambiente de una región llena de promesas.

En Panamá esta ocurriendo, Señor Presidente, una adecuación legislativa e institucional que se lleva a cabo gradualmente pero que en definitiva es un salto cualitativo de nuestra preparación para el siglo XXI.

En los últimos 4 años se ha creado la Autoridad de la Región Interoceánica, la Autoridad Marítima Nacional y, luego de aprobada la Ley General de Medio Ambiente que he mencionado anteriormente, quedará creada la Autoridad Nacional del Ambiente y de los Recursos Naturales.

El Gobierno y el Pueblo panameño animan estos actos con dosis saludables de fe en el futuro. No estimulamos pesimismo estériles y somos conscientes de que tenemos problemas ambientales nacionales que debemos resolver con una visión global.

En diciembre de 1997, acudimos a la cita de Kyoto para hacer progresar las negociaciones entre las Partes de la Convención de Cambio Climático.

Panamá esta dispuesta a capacitarse mejor para

contribuir a la reducción de emisiones de gases con efecto de invernadero con vistas a que toda la humanidad pueda beneficiarse de una atmósfera limpia.

Hemos ratificado la Convención sobre Desertificación y en el plano regional participamos de todos los foros, esfuerzos y mecanismos que deberían conducir al cumplimiento de una agenda para el medio ambiente que sea una contribución regional a la problemática global.

Esta primera Asamblea del Fondo para el Medio Ambiente Mundial es una ocasión privilegiada para expresar nuestro reconocimiento a la labor pionera y hasta ahora única del FMAM como fuente eficiente, multilateral de financiamiento. En la Secretaría del FMAM apreciamos la excelencia de su personal y el liderazgo y competencia de su principal responsable Mohamed El-Ashry. Exaltamos la presencia indefectible del Programa de Naciones Unidas para el Desarrollo PNUD en los países a través de su sistema de representantes residentes y de la eficiencia en estimular el uso de las capacidades nacionales para los proyectos relativos al ambiente.

Celebramos la solvencia financiera del Banco Mundial y la calidad profesional de sus agentes. En el Programa de las Naciones Unidas para el Medio Ambiente (PNUMA) reconocemos su papel de gestor principal para lograr un cambio positivo en la conciencia ambiental dentro del sistema de las Naciones Unidas y lo alentamos en el reforzamiento de su misión de establecer una agenda global para el Medio Ambiente.

Panamá es miembro de la Comisión de Desarrollo

Sostenible de las Naciones Unidas y Miembro Alterno del Consejo Ejecutivo del Fondo para el Medio Ambiente Mundial. En ambos mandatos hemos actuado con afirmada voluntad de servir a las causas que son comunes a todos los aquí reunidos en esta primera Asamblea General del FMAM.

Con la misma inspiración y convicciones, expresamos nuestra coincidencia con las reflexiones que están delineadas en el documento GEF/A/1/8 titulado Informe del Funcionario Ejecutivo Principal sobre Políticas, Operaciones y Futuro Desarrollo del GEF. No debemos tener miedo a las innovaciones ni al cambio. El GEF está destinado a ser un mecanismo que debe sustentarse en la asociación (su "partnership") con todos los actores posibles de la acción global, en una congregación de recursos, de esfuerzos y de logros.

Panamá diré siempre "presente" en la serie apasionante de convocatorias globales en favor de la salvación del planeta y de todos sus habitantes.

La Delegación de Panamá coincide con otras delegaciones que han puesto énfasis en la necesidad de no desestimar la urgencia de recursos nuevos y adicionales. Hay que tener siempre presente la diferenciación de las responsabilidades compartidas. La ayuda oficial para el desarrollo no debe confundirse con los recursos puestos a disposición del GEF. Recipientes y donantes debemos mantener una misma valoración de que el esfuerzo recientemente terminado para la segunda reposición de fondos (replenishment) del GEF es un logro que merece un común sentimiento de satisfacción. Nada fundamenta decir que otros caminos serían mejores sin la existencia del GEF.

Statement of Peru

S.E. Carlos Higuera-Ramos

Ambassador to India

Es para mí un honor dirigirme a esta asamblea en representación del Perú, para compartir con ustedes algunas reflexiones en torno al tema ambiental y al papel que cumple el fondo para el medio ambiente mundial en el logro de un desarrollo social y económico sostenido, acorde con el reto del nuevo siglo.

El tema ambiental es una materia compleja, transectorial y global que demanda la ampliación de nuestro conocimiento científico y el desarrollo de nuestra capacidad nacional para identificar nuestros problemas ambientales y de proveernos de las herramientas

que nos permitan encontrar las soluciones más adecuadas para los mismos. Los efectos que el fenómeno el Niño está causando actualmente son una demostración de la necesidad de enfrentar estos desafíos de manera conjunta, tanto en el área científica como en el área económica.

No cabe duda que la conciencia ambiental es hoy más sólida en todo el mundo, de lo que era hace apenas una década. El acceso a la información sobre los problemas ambientales que hoy afectan a la humanidad y la urgente necesidad que existe de enfrentarlos para mitigar sus efectos, han generado

una serie de legítimas demandas y expectativas de nuestros pueblos y que los Estados se ven en la necesidad de atender.

La Conferencia de las Naciones Unidas sobre el Medio Ambiente y Desarrollo de 1992, que está muy cerca aún, se propuso enfrentar el reto de alcanzar una era de alerta ambiental sin precedentes, con el propósito de dar inicio a un nuevo modelo de civilización en la que se abra campo a una relación más integrada y armónica entre el Ambiente y el Desarrollo.

Cada vez resulta más claro que el deterioro ambiental se debe, en gran medida, a la puesta en práctica de diversos modelos de desarrollo que hasta hace poco eran considerados como la única forma viable de alcanzar el crecimiento económico al que aspiraban todos los países, para poder satisfacer las necesidades básicas de sus pueblos.

Esto ha hecho que muchas naciones de menor desarrollo, luego de haber experimentado esos modelos de desarrollo y agobiadas por la responsabilidad de tener que solucionar los graves problemas de alimentación, salud y educación de sus poblaciones, sientan hoy que se les está imponiendo la obligación adicional de tener que buscar y poner en práctica modelos de desarrollo alternativos, para los cuales no existen antecedentes ni ejemplos prácticos que permitan garantizar su buen resultado.

Progresivamente, la comunidad internacional va tomando conciencia de que la manera de enfrentar los desafíos ambientales que enfrenta el mundo actual—y es para ese objetivo que estamos hoy reunidos en la India, en esta asamblea—es apoyando a los países en desarrollo en la búsqueda de soluciones a los problemas económicos que los afectan. La creación del fondo del medio ambiente mundial fue una primera respuesta imaginativa ante este imperativo. La asamblea que hoy nos congrega debe evaluarlo y orientar su perfeccionamiento.

El Funcionario Ejecutivo Principal del Fondo, Señor Mohamed El Ashry, nos ha presentado una reseña sobre las políticas y operaciones del fondo y nos ofrece lineamientos para su evolución futura. Este documento nos permite apreciar los logros alcanzados, los desafíos que debiera enfrentar, pero sobre todo sus posibilidades en el futuro.

En los diferentes foros en los que se hace el seguimiento de los compromisos de Río y en las reuniones de las partes de los convenios acordados entonces, constituye una constante preocupación el tema del financiamiento. Así lo fue manifestado por ejemplo, en la última reunión preparatoria para la Cuarta Conferencia de las Partes Del Convenio sobre Diversidad Biológica o en el XI Foro de Ministros de Medio Ambiente de América Latina y el Caribe, realizadas en Lima, en marzo último.

Es por ello que el reciente acuerdo logrado sobre la reposición del Fondo para el Medio Ambiente Mundial es una decisión que satisface al Perú, pues constituye una clara señal de la voluntad que existe de reforzar este importante mecanismo financiero y nos da la esperanza de que los próximos años serán testigos de la puesta en marcha de nuevos proyectos así como de la canalización hacia estos propósitos de recursos nuevos y adicionales.

Agradecemos al Señor El-Ashry por su activa y dinámica dirección del Fondo, por la eficiencia con la que ha cumplido los encargos del consejo y que queda demostrada con los excelentes estudios que ha sometido a consideración de los gobiernos.

Sirva esta oportunidad para reafirmar el compromiso asumido por el Perú en lo que respecta a la protección del ambiente mundial, que se refleja en su activa participación en los diversos foros internacionales en los que se discuten los temas identificados como prioritarios en la Cumbre de la Tierra y que hoy constituyen las áreas focales en las que se concentran las actividades del Fondo para el Medio Ambiente Mundial. Este reto para nuestro país es una obligación ineludible, si se tiene en cuenta los ingentes recursos ecológicos y vastos bosques tropicales con los que cuenta. Esto nos permite contar el día de hoy con una diversidad biológica que parece ser una de las más variadas y ricas del planeta, lo que se debe en gran medida al valioso trabajo desarrollado por las poblaciones nativas de nuestro país a lo largo de miles de años de su historia.

Permítame expresarle, en nombre de nuestra delegación, mi felicitación por su elección para presidir esta Primera Asamblea del Fondo para el Medio Ambiente Mundial, que estamos seguros concluirá con importantes acuerdos destinados a asegurar un mejor futuro ambiental para toda la humanidad.

Statement of the Philippines

Delfin J. Ganapin, Jr.

Undersecretary for Environment, Department
of Environment and Natural Resources

The Philippines, in this our centennial year—in our celebration of 100 years as a free nation—wishes to greet all our partners in this Assembly in the traditional way we greet good friends, and that is by saying “Mabuhay.” To say “Mabuhay” means to wish a “long and good life” to those we give the greeting to—exactly what we wish to achieve for our planet Earth and its people through the Global Environment Facility.

The Philippines also directs this special greeting of “Mabuhay” to the Government of India for their excellent preparation and hospitality as host to this first Assembly of the GEF, thus allowing all of us to further strengthen our alliance and joint efforts under GEF.

Mr. Chairman, allow us to be frank in saying that at the beginning, the Philippines, together with many other developing countries, was wary of the concept and agenda of a Global Environmental Facility. Many of us here can still remember the long contentious debates and negotiations we have had in the preparatory meetings leading to Rio, in Rio itself, and in the succeeding Conference of the Parties to the Conventions. Extreme efforts have had to be exerted, even some measure of diplomatic arm twisting, for GEF to be accepted as the financing mechanism.

Over time, however, the implementation of GEF-supported projects and the initial benefits derived from such projects created more convincing arguments in favor of the GEF. In the Philippines, great flexibility was exercised by the GEF, the World Bank and the Philippine Government in giving the implementation of a \$20 million macro-GEF biodiversity project, in a desire to be closer to grassroots stakeholders, to a consortium of Filipino NGOs, some of whom were even then recent antigovernment and anti-GEF activists. Filipino environmentalists in the civil society and their grassroots partners were also benefited through the Small Grants Program which is now, in the Philippines, on its way to being locally institutionalized as an independent and sustainable small grants mechanism.

The Philippines will soon add the Mid-Size Grants Program of the GEF in its overall portfolio as the GEF, World Bank and UNDP have already supported the

enabling workshops on this. The message is clear—the best argument for the GEF are the on-the-ground and highly relevant and participatory projects that are innovative enough and designed flexibly enough to bring local needs and GEF’s global focal areas together.

The GEF at this point is not that much of a hard sell anymore. While the study of GEF’s overall performance did not emphasize this as an accomplishment, by all of us in general, and by the CEO, the GEF Secretariat and the Council in particular, the increased institutional acceptability of the GEF is indeed an accomplishment.

The increased acceptability of the GEF was the reason for the Philippines’s attempt to also be a donor country during the GEF’s replenishment process. The economic and financial crisis, however, that hit our region also affected the Philippines and forced us to postpone such a financial commitment. Nevertheless, we commit to provide counterpart resources, as much as we can generate ourselves or leverage, to support existing and future GEF projects in the Philippines or within our region. We commit to sustain on our own those which have already been started. We shall not rest till we can with pride truly say that the Philippines is indeed a key “shareholder” of the Global Environmental Facility.

There is, however, still a lot to be done. GEF’s true potential has not yet been fully utilized. With greater experience from many ongoing projects, there is no reason why the project cycle cannot be shortened. The GEF can also be more proactive in project or program development especially on concerns that go beyond national boundaries as long as country participants fully agree. One example of this is the recently approved global or international waters assessment to be implemented on regional levels. From our region, other examples of such a proactive approach include regional programs that would deal with the seriously growing pollution of the East Asian Seas or a program that would manage sustainably large marine eco-regions such as the Sulu-Celebes Sea. These types of projects and programs that bring together several countries are undeniably more complex and difficult but they bring us closer to the meaning of “global effort,” especially in the focal area of international waters.

We do agree that we need to bring the private business sector into our fold. But we must make sure that they would indeed bring in new and additional resources and that our joint projects with them do not decrease the importance we give to meeting the needs of local people at the grassroots.

Lastly, the new innovations coming in, such as the participation of the private business sector, the use of economic instruments, the joint implementation and clean development implementation arising out of the Kyoto Protocol, will require first a common understanding of what these measures or innovative mechanisms are as well as intensive capacity building and information campaigns at the local levels.

Statement of Poland

Jan Krzysztof Mroziewicz
Ambassador to India

Those who were involved in the negotiations of the GEF instrument in 1993 had a sense of participating in the establishment of a new structure based on different institutional cultures of the business-oriented World Bank and political consensus-seeking United Nations. Following the dramatic developments in Cartagena de los Indios in December 1993, few imagined that the system could work in a manner which is efficient and satisfactory to all participants. Rich in the experience of the last four years, we know that being creative and innovative in our approaches brings long-term positive results. I wish to take this opportunity to pay tribute to all those who have worked in the GEF, both as Council members as well as in the Secretariat, and developed working standards which allow efficient and smooth implementation of projects while taking into consideration often extremely difficult political sensitivities. It is only by understanding the main objective the Facility is serving, which is the preservation of the global environment for future generations, that allows such prevailing consensus.

The basic question remains (as many of my predecessors already observed) as to whether the funds available for funding the Rio Conventions on Climate Change and Biological Diversity as well as additional funds for projects in the area of international waters and protection of the ozone layer and those related to land degradation are sufficient or

Let me end by noting the similarity of our situation to that faced by the heroes of the Philippine Revolution for independence 100 years ago. They only had bamboo spears against guns and cannons. We have several billion dollars against the trillions needed for the shift to sustainable development. Our heroes then in their revolutionary initiation committed to the belief that "we will be free, if we have courage, if we persist, and if we are united." The Philippines now is celebrating our 100th year of freedom.

We in the Philippines are thus confident that the GEF will also meet its goals "if we have courage, if we persist, and if we are united."

not. The answer to that question seems obvious. They are not. However, we have to realize that the era of the so-called easy money is over. Governments face ever-increasing difficulties in generating resources for public funding, and that seems to be a worldwide phenomenon. This is why Poland wishes to extend its gratitude to donors for providing funds for GEF and to express its hope that the consecutive replenishments will prove the growing commitment to GEF goals translated into the increase of resources available for the Fund. It is indeed an encouraging sign to see so many developing countries contributing to the Facility.

Taking into account the limited scope of resources, GEF has to play a catalytic role in leveraging other funds, especially from the private sector. We have to encourage the private sector to fulfill its role in sustainable development. GEF could serve as an instrument of turning businesses' attention to the new market opportunities. In Kyoto, for example, we heard voices coming from a number of industrial branches which perceive the Kyoto Protocol as a great opportunity for energy-efficiency investments. This spirit seemed to prevail over the heavily publicised lobbying against the Kyoto Protocol which accompanied us during the entire negotiation process.

As an example of GEF's involvement in the private sector, let me mention a GEF project in Poland on

efficient lighting which helped to develop a whole new market for component fluorescent lamps (CFLs). Many companies enthusiastically grabbed this newly opened market niche, while GEF projects helped also in building awareness and market confidence in these products. GEF has to further develop this kind of activity, engaging in its efforts small and medium-size private enterprises.

Building wide support for GEF-funded projects and engaging not only central administration partners in their implementation is essential for their success. It often requires an important amount of effort on the part of all stakeholders, but in most cases this approach brings much better long-term effects. Obviously, as it is rightly stated in the "Study of GEF Project Lessons," those projects have to be built into national environmental strategies and conceived according to the general policy context.

Similarly, GEF involvement in funding projects implemented by the NGO community deserves our support. In Poland, we are particularly pleased with the so-called Small Grants Programme run by UNDP, which, apart from bringing global environmental benefits, helps build civil society and encourages local initiatives aimed at preserving the environment for the generations to come. Sometimes even minimal grants provided by an international body such as GEF assist in creating confidence in the project and subsequently in mobilising additional funds from other sources—often much higher than the initial GEF grant. An element which should not be forgotten in

discussing the Small Grants Programme and Medium-Sized Projects window is their potential in developing into full-scale projects that meet all GEF regular criteria.

We also see a growing role for GEF to become a vehicle for strengthening regional cooperation through its regionally based projects. The implementing agencies should be requested to pay more attention to seeking investment opportunities for regional projects, thus enhancing the understanding of a truly transboundary and global nature of the environment and the need for countries to face environmental challenges together.

GEF's efficient functioning can only be guaranteed by the close cooperation of the implementing agencies. Their role is specified in Annex D of the instrument. We are pleased to note agencies' involvement in GEF activities, and in particular the progress which has been only recently achieved in that respect in UNEP. GEF projects encounter many problems. There are still many problems in understanding the incremental costs and global benefits concepts. The procedures for project approval are often too long and frustrating for the local partners who are not used to the bureaucratic proceedings of the international bodies. There are many new challenges; in particular, those linked to the commitments under the Kyoto Protocol will have to receive GEF's special attention. We are convinced, however, that GEF has developed a sound basis for facing those challenges and will continue to strive for achieving best results with the determination and commitment it has demonstrated until now.

Statement of Portugal

Adriano Telles de Menezes

Deputy Director-General, Ministry of Finance

 On behalf of the Portuguese delegation and personally, I would like to thank the Government of India for hosting this first Assembly and the people of New Delhi for the warm hospitality in this beautiful city, a perfect introduction to a cultural heritage of an ancient land.

Portugal, either on its own or as a member of the European Union, has become very much involved—in particular during the last years—in an environmental policy which is concerned with the protection of natural resources in the framework of sustainable development.

Therefore, Portugal assumes the importance of cooperation towards a better global environment through deeper commitments, either on multilateral or bilateral terms.

Referring in particular to the GEF's policy on international waters and coastal protection, Portugal welcomes you to the EXP098, whose key theme is "Oceans-Heritage for the Future Generations," which will open in Lisbon next May and is also going to host the first ministerial meeting of the OSPAR Convention on Maritime Pollution and the 3rd ministerial Pan-European Conference on Forest Protection.

The Global Environment Facility has served since the Rio Earth Summit in 1992 as a new multilateral financing mechanism that promotes international cooperation to protect the global environment.

We recognize that GEF has been playing a unique catalytic role as a flexible and innovative mechanism responsible for developing, adopting and evaluating operational policies and programs. The urgency for actions to address global environment challenges within the framework of sustainable development is required both at bilateral and multilateral levels.

As the 21st century approaches, we recognize that the institutional roles and responsibilities of the GEF are better defined. Its strategy is pointing out new guidance, namely in the areas of capacity building, environmentally friendly technologies, environmental security, and enhancing NGO and civil society participation.

At the international level, we urge better coordination among national environment agencies and international environment institutions and, in particular, the GEF.

At the national level, we propose close coordina-

tion between environment NGOs and government/institutional departments.

We welcome the 2nd replenishment of the GEF Trust Fund as a clear message to respond to the challenges ahead. As said by the CEO, even 20 billion would not have been sufficient to finance activities to protect the environment and defend the global common assets.

We strongly support the efforts for new opportunities for private sector partnerships. The performance indicators for monitoring and evaluation become a vital achievement for all the GEF's sponsors and members.

GEF-funded projects must be consistent with national/regional policies and priorities and be assumed as the national interest of participating countries. Portugal, as a non-recipient country, will support a close technical work in order to promote the environmental projects as an integrated way for the country's development.

Finally, Portugal will try, within its limitations, to cooperate actively in strengthening the GEF and implementing agencies in the context of its environment policy and also to promote an environmental perspective in its capacity as one state member of the GEF.

Statement of the Russian Federation

Amirkhan Amirkhanov

Deputy Chairman,

State Committee for Environmental Protection

The Government of the Russian Federation considers the GEF the leading mechanism of international cooperation to ensure a financial base for the effective resolution of global environmental problems and, above all, fulfillment of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change and the Montreal Protocol to the Vienna Convention on Substances that Deplete the Ozone Layer.

Russia praises the results of the Phase I activities (1994–1997) of the restructured GEF and, demonstrating continued adherence to the ideas of the Rio Declaration, is ready to participate in the second GEF replenishment for 1998–2001.

Our country supported and will continue to support a basic principle of GEF activity: conformity to national priorities in actions implemented to support

sustainable development and protect the environment in a global context. We expect that decisions of the Assembly will set the condition on the GEF projects implementation only by organizations of participating country or group of countries. The fulfillment of this condition is a major factor in maintaining long-term sustainability of global effects achieved during implementation of GEF projects, and also for strengthening the organizational and technical potential of recipient countries by resolving global environmental problems.

Russian governmental and non-governmental organizations, private companies, as well as many experts participated actively in the preparation and implementation of projects during the first phase of the GEF. Two large projects are of special importance for our country: biodiversity conservation and phase-out

of ozone-depleting substance consumption. In the framework of the first project, additional support was provided for strengthening and developing a network of national parks and reserves in Northern Eurasia in the interest of environmental protection. This network has no precedents in the world and is a skeleton of conservation of the natural heritage and biodiversity on the territory, which occupies about 15% of the Earth's land. In the second project, the conversion of the OJSC "Arnest" (main Russian consumer of ozone-depleting substance in the aerosols production sector) will be completed in the current year. This sub-project is the largest one in connection with the reduction of ozone-depleting substances consumption and one of most effective among all projects implemented with funds from the GEF and the Multilateral Fund of the Montreal Protocol.

The Russian Government, based on the experience gained through cooperation with the GEF, is going to continue work in preparing and implementing new projects. A priority area for our country is the prevention of climate change through increased efficiency of energy use in production and sustainable management of Russian forests, which comprise about 20% of all forests of the Earth.

One of the most important objectives of the GEF Phase II is helping to fulfill the provisions of the Kyoto Protocol which will provide opportunities of joint implementation of mutually beneficial undertakings to reduce greenhouse emissions by several countries. We consider that these opportunities will be especially beneficial for Russia and other transition economy countries which have the greatest potential for implementing low-cost measures to reduce greenhouse gas emissions. The complexity and importance of the problem necessitate a special focus on the region of Central and Eastern Europe by the GEF in helping develop innovative mechanisms for joint project implementation.

At present, work on the preparation of new amendments aimed at accelerating the phase-out of production and consumption of so-called transferable substances is being conducted in the framework of the Montreal Protocol, since countries with transition economy have new problems, successful solution of which will depend on the timeliness with which international assistance is rendered. In this connection, it is expedient to begin preparation of the corresponding GEF program in coordination with the Secretariat of the Montreal Protocol.

The urgent issue is development of a GEF informational strategy that can be expanded to a number of participating countries, many of which have not yet had a serious experience in cooperating with the GEF. It is important to ensure wide distribution of regula-

tory, political and program GEF documents and Conventions in all official languages of the UN among participating countries; this will attract a wide range of national organizations and experts from many countries to participate in addressing global environmental problems.

The Russian delegation welcomes the steps undertaken to study and disseminate experience in GEF-financed project implementation. However, the key theme of the report presented is the organization of project preparation and project implementation management. In fact, there is no assessment of the efficiency of the new economic tools and mechanisms applied in various projects to ensure integration of global challenges into national programs of social and economic development. The almost unachievable GEF ideal is to ensure participation of each recipient country in at least one project under each of the adopted working programs. We can try to ensure a step-by-step approach to this ideal—preparation and implementation of pilot projects in specific countries or groups of countries, generalization of the results and development of recommendations, and distribution of the results and recommendations through projects of a global scope with the participation of a majority of the interested countries.

The report on the study of GEF's overall performance shows that one of the most critical and debatable issues is identifying and using incremental costs as an instrument for determining distribution of GEF resources. Attempts to resolve this problem have not been successful. Apparently, the difficulties are connected not with methods of calculation but with a general inability to develop a uniform approach that will compare national and global costs and profits, as well as an approach to fairly take into account the existing world economic order.

In this connection, more pragmatic approaches to GEF funding decisions should be considered, based for example, on the principle of sharing of financial responsibilities. Under such an approach, a country applying for a GEF grant to implement a project of global significance shall assume and fulfill obligations to cover a certain part of the project costs from internal sources (state or private). The proportions of sharing can be differentiated for various areas of activity and even for various GEF working programs.

In summary, on behalf of the Russian delegation, I would like to thank the Government of India for organizing this forum and to express our assurance that the first GEF Assembly will be successful and will become a significant event in determination of methods for sustainable development and in answering the questions facing the world community on the threshold of the 21st century.

Statement of Slovenia

Emil Ferjancic

Head of Department,

Ministry for Environment and Physical Planning

During the first replenishment period of the GEF, Slovenia has received a GEF grant in the amount of US\$6.2 million for phasing out the ozone depleting substances. The financial aspect of the grant was extremely important; what was even more valuable was the catalytic effect of the GEF grant that contributed to a greater commitment of the national stakeholders to the obligations set in the Montreal Protocol.

Although the GEF grant consequently contributed to improved competitiveness of some recipient companies from Slovenia in the world market, GEF funds were not withdrawn and that was also a proof of a great concern of the international community for the global environment.

Some further projects in the field of climate change are currently under implementation in Slovenia, namely the National Communication Project according to the UN Framework Convention on Climate Change and the pilot project Removing Barriers to Biomass District Heating. What we particularly appreciate with these two projects is not just the financial support, but also the technical assistance of the UNDP that is lacking in Slovenia.

There were different concerns raised regarding the effectiveness of the GEF Trust Fund. From our involvement, we are pleased to comment that so far we can only voice our praise for the GEF projects in Slovenia.

As it is very difficult to limit certain programs to only one country, cooperation between different countries was encouraged with the Fund's assistance. Here, we can name at least two projects in international waters where a regional approach was, in our opinion, very positive—the Danubian Basin and the Mediterranean projects. Therefore, we would like to suggest that more such projects be encouraged as they not only benefit the environment but also cooperation between different states.

None of the GEF implementing agencies has its office in Slovenia; despite that, the procurement procedures in the projects we had so far were relatively quick. That obviously required more effort and flexibility on the agencies' staff side and our side as well.

Exchange of information among countries within our constituency contributed to mutual understanding of environmental problems, but we are aware that on that basis our cooperation could improve further.

From our initial projects, the present organizational structure of the GEF proved to be efficient enough for successful implementation of the projects and sufficiently served the purpose for which it was established. Therefore, we do not see any specific need for major changes as far as reorganization of the institutional framework is concerned.

Statement of South Africa

Dan Pillay

Acting High Commissioner to India

On behalf of the Government of South Africa, I wish to express our deep appreciation to the Government and people of India for so graciously hosting the first Assembly of the Global Environment Facility (GEF). To you, Mr. Chairman, I offer congratulations on your election to chair this historic meeting.

The creation of the Global Environment Facility was a remarkable achievement which represents the way forward for partnership and cooperation for the mutual benefit of humanity and the environment. We have witnessed the GEF's evolution into a dynamic body which has established itself as one of the most important financial mechanisms for redressing global environmental problems. The GEF has further contributed towards defining the relationship between environment and development and translating this into practical, country-driven actions at the national and regional levels.

South Africa has undertaken important steps towards putting in place national strategies for securing environmental protection and at the same time promoting development. South Africa's first GEF country project for the conservation of the Table Mountain World Heritage Site was approved by the GEF in 1997.

South Africa supports the call for stronger stakeholder involvement in the development and implementation of GEF projects. Through consultation at all levels of the process, communities will experience enhanced participation and ownership of GEF projects. This approach ultimately leads to improved outcomes which benefit all stakeholders. Civil society in South Africa is a strong and vibrant partner in our development of GEF projects, and several project proposals in each of the GEF focal areas are in preparation. We believe that this partnership approach will contribute towards community-driven development in our country, and contribute to the goal of poverty eradication.

In the context of a rapidly globalising world, the problems of environmental degradation will require even greater efforts on all our parts, including the GEF. We believe that for the GEF to enhance its effectiveness and expand its contribution to improving

the quality of life for all on this earth, several issues deserve focused attention.

South Africa welcomes the recently concluded replenishment of the GEF's financial resources. Nevertheless, the crucial funding of projects to assist developing countries in meeting their obligations under international environmental agreements will require that new and additional financial resources be made available from all sources. The GEF replenishment process can only be considered successful once every pledge has been received.

My delegation shares the views of others that the issue of land degradation constitutes an area which the GEF should reprioritise and place higher on its agenda. Land degradation represents a serious threat to the livelihoods of the population of the entire Southern African region and requires the astute development and management of the available natural resources of the region, in particular water and land resources. As fresh water shortages become more serious, water management and supply needs require the highest levels of attention.

In the context of the GEF, recipient constituencies often experience extreme difficulties in the coordination of their activities. Distances between countries and the size of recipient constituencies suggest that the GEF should consider mechanisms for improving intra-constituency consultation in the intercessional period between GEF Council meetings. The contributions of recipient constituencies to the work of the GEF, and in particular to the development, discussion and approval of projects by the Council, would be enhanced by such consultation.

We are all increasingly aware of the urgency of addressing the global environmental challenges of the next century. The immediacy of these concerns constitutes a call to action to the international community and a demand for increased international cooperation. This can only serve to accentuate the pivotal role of instruments such as the GEF and its implementing agencies. In this context, I wish to reiterate my Government's continued commitment to the Global Environment Facility and the important work which it is undertaking.

Statement of Spain

Jaime Lorenzo Ormechia

Deputy Director, Ministry of Economy and Finance

Ante todo, desearía expresar, en nombre del gobierno español, nuestro agradecimiento al Gobierno de la India por su hospitalidad al acoger esta Primera Asamblea del Fondo para el Medio Ambiente Mundial (FMAM), así como a la excelente organización de la misma.

Hasta hace relativamente poco tiempo, el hombre ha utilizado los recursos naturales como si fueran bienes libres, sin ningún coste económico implícito. Ello ha motivado, en los dos últimos siglos y como consecuencia de la revolución industrial y tecnológica, y de la explosión demográfica subsiguiente, un progresivo agotamiento de estos recursos, hasta el extremo de plantear una seria amenaza a la sostenibilidad futura de muchas de las actividades que actualmente realizamos.

La explotación sin límites de los recursos naturales al servicio del crecimiento económico se ha vuelto en contra del hombre, desatando procesos de cambio en el medio ambiente mundial que amenazan con convertirse en irreversibles. Por ello, se hace necesario, tomar las medidas precisas que permitan la inversión urgente de estos procesos.

La cumbre de la tierra, celebrada en Río de Janeiro, en 1992 fue el primer paso dado por los gobiernos y las organizaciones civiles para concienciar al mundo de los peligros a los que nos enfrentamos, y para desarrollar los planes nacionales, y las instituciones internacionales, para luchar contra la degradación medio ambiental y la explotación indiscriminada de los recursos naturales.

La dimensión del problema medio ambiental exige un compromiso especial por parte de todos los gobiernos e instituciones responsables, que ayude a suplir la falta de experiencia existente en el ámbito de la lucha contra la degradación del medio ambiente a nivel global.

Hasta el momento, y desde la conferencia de Río de Janeiro, no hemos hecho más que tomar conciencia de las dificultades que plantea la puesta en marcha de mecanismos eficaces de actuación para lograr un desarrollo económico sostenible a largo plazo desde un punto de vista medioambiental.

El Fondo para el Medio Ambiente Mundial como instrumento financiero, es precisamente uno de los más importantes medios con los que actualmente contamos para hacer frente a estos problemas.

En su relativamente corto periodo de vida, desde su creación en 1991, como programa experimental inicial-

mente y posteriormente como fondo reestructurado, el FMAM ha conseguido crear la estructura organizativa y desarrollar las políticas operativas necesarias para iniciar su labor y enfrentar la complicada ecuación que permita compatibilizar desarrollo económico con la necesaria conservación de los recursos naturales.

El importante aumento del número de países socios del FMAM desde su reestructuración en 1994 hasta la actualidad, es un signo inequívoco del creciente apoyo de la comunidad internacional al Fondo como instrumento multilateral de primer orden en la política medioambiental global.

La satisfactoria conclusión de las recientes negociaciones para la segunda reposición de recursos, demuestra asimismo el compromiso de los países donantes, al asegurar los medios económicos necesarios para financiar su actividad en los próximos años. Dicha financiación permitirá asimismo poder planificar la asignación de los recursos de forma equilibrada entre las cuatro áreas de actividad del FMAM.

En este contexto, cabe destacar el importante esfuerzo económico realizado por España para mantener su apoyo financiero al fondo, aumentando nuestra participación en moneda nacional un 13% respecto a nuestra primera aportación, demostrando con ello nuestro compromiso con los problemas de medio ambiente, y de desarrollo, a nivel global.

Somos conscientes de la necesidad de que cada país, en su esfera de actuación, analice la sostenibilidad de sus políticas, y las consecuencias de las mismas para el medio ambiente global, contribuyendo a soportar su cuota de responsabilidad.

Reconocemos los progresos realizados por el FMAM en estos primeros años de vida, y celebramos la flexibilidad y el carácter innovador que ha presidido su actuación, que ha quedado reflejado, entre otros aspectos:

- En su labor como impulsor de nuevas tecnologías y su transferencia a los países en desarrollo.
- En su función de catalizador de fondos bilaterales y multilaterales para la consecución de objetivos medio ambientales globales.
- En su función de promotor de una más activa implicación del sector privado en estos proyectos.

Adicionalmente a estos aspectos, el FMAM ha destacado también por sus esfuerzos en potenciar la participación activa de los países receptores en los proyectos, prestando especial atención a la impli-

cación de la sociedad civil como medio imprescindible para reforzar su sostenibilidad en el largo plazo.

Estos logros, sin embargo, no deben hacernos olvidar los problemas enfrentados en el pasado, muchos de los cuales están, desgraciadamente, todavía por resolver.

Es importante reforzar en los próximos años el compromiso de los países receptores, con los proyectos del FMAM. Para ello es necesario que sean estos países los principales impulsores de estos proyectos, y que éstos respondan a sus necesidades nacionales, ya que para lograr beneficios medioambientales de carácter global es fundamental que los mismos se deriven de la estrategia de desarrollo nacional de los países beneficiarios.

En este sentido, el hecho que los países receptores sean responsables de los proyectos y obtengan sus beneficios directos, permite mejorar las garantías de sostenibilidad futura de los mismos y los beneficios de ellos derivados.

La incorporación de los objetivos del FMAM a las actividades de los organismos de ejecución, es otro de los asuntos que deberá centrar la atención del Fondo, con vistas a mejorar la calidad y cantidad de sus proyectos.

A la vez que reconocemos los logros de las agencias ejecutoras en términos de captación de recursos en proyectos beneficiosos para el medio ambiente global, y la progresiva mejora de la colaboración y cooperación entre las distintas agencias, y entre éstas y el FMAM, creemos necesario que, por parte de las mismas, se elabore una estrategia que contemple la integración de las actividades medio ambientales globales dentro de sus propias políticas y programas.

Por nuestra parte y con el fin de asegurar la consistencia de nuestras propias políticas, daremos las oportunas indicaciones para que dicha incorporación se haga efectiva.

Asimismo consideramos conveniente que se analicen debidamente los posibles costes y beneficios de una futura apertura del FMAM a otras agencias, con especial atención a los bancos regionales de desarrollo, dado que ello nos permitirá explorar la viabilidad de nuevas formas de trabajo que permitan mejorar su eficacia.

Por otra parte, sería aconsejable que el FMAM impulsara una mayor participación del sector privado en sus actividades al ser éste un importante instrumento de difusión de las nuevas tecnologías medioambientales y, en el área del cambio climático, una pieza clave para asegurar la viabilidad futura de los proyectos. Para ello, es fundamental detectar los principales obstáculos a una mayor participación del sector empresarial en estos proyectos, y, consecuentemente, diseñar las políticas necesarias para impulsar esta participación.

El análisis de la sostenibilidad financiera de los proyectos nos parece de gran importancia para que sus efectos sobre el medio ambiente global sean duraderos. Por ello consideramos necesario que se conceda una mayor atención en las fases de preparación de los proyectos a este análisis, y que se profundice en el estudio de posibles vías para garantizar dicha sostenibilidad.

De otra parte, la simplificación y racionalización del ciclo de los proyectos debiera ser asimismo un objetivo a tener en cuenta, objetivo que deberá compatibilizarse con las debidas garantías de calidad de los mismos.

En este sentido apoyamos el refuerzo del actual sistema de vigilancia y evaluación como instrumento eficaz para cuantificar los resultados obtenidos y detectar posibles errores, instrumento que nos ayudará a mejorar continuamente la eficacia del FMAM y la calidad de sus proyectos.

Como conclusión, España considera positivos los pasos dados hasta ahora, y reconoce el progreso realizado, a pesar de la magnitud de los problemas existentes y la falta de experiencia en su gestión.

Afortunadamente, hoy, y gracias en parte al Fondo para el Medio Ambiente Mundial, poseemos un mejor conocimiento de nuestras posibilidades y de nuestras limitaciones para lograr un desarrollo ecológicamente sostenible.

Confiamos que dicho conocimiento nos permita mejorar los resultados en el futuro, y con ello el bienestar de futuras generaciones.

Statement of Sweden

Mats Karlsson

State Secretary for International Development Cooperation

Allow me first to thank the Government of India for hosting this first Assembly of the Global Environment Facility. Indeed, it seems very natural and appropriate that India is the first host, as it has produced such advanced thinking in the area of development, environment and international cooperation.

The global agenda for the next millennium is a formidable one. A deep new understanding of the challenges of development and environment were arrived at in the years leading up to Rio, e.g., in the Brundtland Commission. Policies were agreed for a way forward. Agenda 21 urged us to merge solutions to poverty and challenges to the environment in order to come to grips with the fundamental and overall problems of the 21st century. The need to find concrete solutions that go beyond the traditional sector and institutional framework was shared. Global, national and local governance issues will come together as never before and require us constantly to break new ground. The Commission on Global Governance a few years ago showed directions in which to go in an increasingly globalised world.

The GEF was a major step forward. It is an innovative mechanism for dealing with new challenges without fragmenting our institutional and operational capacities. It builds upon the complementary strengths of the UN and Bretton Woods systems. We have seen that this new concept of cooperation and partnership has produced a number of important achievements. Strategies and policies for activities at the local level for the global benefit are now in place. I wish to point out some elements of particular relevance for a successful continuation.

Firstly, country ownership, leadership and sector-wide commitment by governments, democracy and non-corrupt governance are key to the success of dealing with the global environment agenda. Global environment problems will not be central to a poor country if they do not relate to the most pressing needs of the people in that country. Research in relation to biodiversity loss and climate change has convincingly shown us that these problems are local in origin.

Let me give you an example: hundreds of millions of poor people around the world depend entirely on forests for their survival. For want of other options, marginalised groups are often forced to encroach on forest lands to survive. With no ownership or secure

tenure system, they have no incentive to sustain the forests. Likewise, timber concessions of extremely short-term duration provide no incentives to manage forests in a sustainable way.

The situation is very similar when looking at the climate change convention and its linkages with energy demand. The provision of energy is crucial for development. More than two billion people lack access to modern energy services. We all know what this means for hard-toiling women collecting fuelwood from far away. As long as this situation prevails, there will be no breakthrough out of poverty. However, conventional solutions for energy supply are causing serious problems in terms of pollution, both for people and for their environment. Yearly, millions of people in developing countries die prematurely because of polluted air, water and land.

A fundamental reorientation is required that gives greater emphasis to efficiency improvements, increased use of renewable energy and the cleanest possible technologies for fossil fuel generation. Recent technology developments, notably within solar technology, augur well for such a policy shift.

Who are those that can bring about change? All partners have an important role to play, be they governments, local communities and women's groups, scientists, the private sector, NGOs or representatives of the international community. National governments, however, have a special responsibility to rethink institutional, legal as well as fiscal frameworks. Democratic governance will support the empowerment of local people and enable them to secure the rights of the poor, social justice and end corruption, which is one of sustainable development's worst enemies. These are the make-it or break-it issues of the next century.

Secondly, the GEF should not be alone in addressing global concerns. Strong support by the implementing agencies to mainstream global environmental objectives into their regular policies and programs is needed. Likewise, other multilateral, as well as bilateral, aid agencies should make sure that in partnership with national governments the global environmental objectives are part and parcel of their development cooperation strategies.

The catalytic role of the GEF is an essential feature for achieving success. Let me emphasize the absolutely essential role that governments have as representa-

tives in the GEF and in the implementing agencies. It is their responsibility to ensure consistency in their policies in all fora.

Thirdly, a strong monitoring and evaluation system within the whole GEF family is an indispensable instrument for securing quality and effectiveness.

High priority should be assigned by the GEF to the urgent development of performance indicators. I am pleased to see that a number of interesting reports have been produced recently, demonstrating both failures and successes. The results of such critical reflections have to be fed back into the learning process in order to make progress in the complex mandate of producing global environmental benefits.

Instruments for measuring the state of the art in various fields are an important vehicle for decision-making. The GEF Council has decided that an assessment for international waters is needed. In this connection, I am pleased to inform you that Sweden will host the secretariat of the Global International

Water Assessment Project. The ongoing work of a regional Agenda 21 of the Baltic Region (the Baltic 21) we hope will serve as a good example for regional waters projects.

Finally, I am greatly satisfied with the successful outcome of the negotiations on the second replenishment of the GEF in time for this Assembly. The replenishment will give the GEF the necessary and renewed flexibility and strength to tackle the tasks ahead. The conclusion of the replenishment is also a token of the confidence by the donors. It should consequently be matched by a corresponding token of confidence by the conferences of parties, in that the GEF should be the permanent financial mechanism for the Conventions on Biological Diversity and Climate Change.

Let me end by expressing my full confidence in this maturing mechanism of global hope and innovation. We must all take on our responsibilities in guiding it forward. We must not let it down.

Statement of Switzerland

Philippe Roch

State Secretary, Swiss Agency for the Environment, Forest and Landscape

Switzerland would like to thank the Government of India for its generous offer to host the first GEF Assembly here in New Delhi. We hope that participants will honor the hospitality of our hosts by agreeing to strengthen the GEF as the financial mechanism for the Rio Conventions and by reaffirming the existing consensus about its operational policies. The GEF has proven to be an efficient mechanism for the implementation of the Rio Conventions. Long before the adoption of operational protocols to the Conventions, it has facilitated the elaboration of national reports and strategies in recipient countries, as well as the spread of cutting-edge environmental technologies. In recognition of these achievements and of the GEF's role as catalyst and innovator in global environmental matters, Switzerland wishes to express her continuing strong support for this important financial mechanism which we believe has the potential to address global environmental problems even more effectively in the future. With the intention to further strengthen the GEF, the Swiss message to the

first GEF Assembly is essentially that:

- The GEF should remain the designated financial mechanism for the Rio Conventions on Climate Change and Biodiversity, as well as for the associated Kyoto Protocol and other outcomes that may materialize from the conferences of the parties to these Conventions. The status of the GEF should be officially upgraded from "interim" to "permanent" financial mechanism for these Conventions. This could greatly contribute to the mobilization of additional financial resources for the global environment.
- The GEF principle of financing incremental costs may be further adapted methodologically, but should be maintained to ensure consistency with Agenda 21 and the Rio Conventions.
- The continuing commitment by the GEF implementing agencies to integrate global environmental concerns into their regular operations needs to be strengthened by setting specific targets and time frames.
- GEF stakeholders should exercise caution with the

formulation of new tasks and responsibilities for the GEF that might result in losses in efficiency, effectiveness and flexibility.

■ By more systematic promotion of country-level ownership of GEF programs and projects, the GEF could greatly increase prospects for sustainability and assist in the process of improving environmental policies.

CONTEXT

At the 1992 Earth Summit in Rio, there was broad agreement among participants that the most vexing environmental problems are of a transboundary nature and that collective action is needed to slow and eventually reverse existing trends of environmental degradation through human activity. On the basis of Agenda 21, the community of nations has been looking for ways to resolve growing conflicts between the development aspirations of humankind and the need to preserve the earth's finite resources. The activities of all states can affect or be affected by threats to these resources. It is therefore necessary to cooperate at the global level to develop strategic responses based on the exchange of information, common goals and shared burdens. The goal is to work towards an overall harmonization of economic development, social progress and environmental protection.

The GEF began as a pilot financial mechanism. It was to resolve potential disagreements and conflicts over its design in a gradual manner to avoid collective action problems and inertia. Funding was made available before its exact purpose was determined, and operations began before clear funding criteria were agreed on. Essential components of the system of governance were deliberately left to be resolved while the GEF was already operational. A restructuring of the GEF into its present form was completed in 1994. However, the collective effort to continuously improve the GEF, to adapt to changing circumstances, to become more cost-effective, transparent and accountable, has not ceased nor should it ever. The continuation of this process of institution building and institutional learning is the very reason why GEF participants and stakeholders have assembled here in New Delhi to review the general policies, to reconfirm the validity and quality of the "instrument," and to discuss how to best equip the GEF for the 21st century.

THE GEF AS FINANCIAL MECHANISM FOR THE RIO CONVENTIONS

For Switzerland, the GEF is the main financial mechanism to fund programs and projects addressing global environmental problems. We continue to advocate that the conferences of the parties for the Conventions on Climate Change and Biodiversity designate

the GEF as their permanent financial mechanism, and we believe that there is increasing urgency to do so. The number of international conventions and agreements aimed at environmental protection is growing while the debate about ways to finance their operationalization continues along the lines of a classic problem of organization: integration or differentiation. The position of Switzerland is to support integration at the level of operations, especially in the case of the Rio Conventions. The GEF is designed to serve the Conventions by translating their input—as it relates to the four focal areas of the GEF—into financed work programs and by employing the designated implementing agencies for delivery. This and the mobilization of financial resources are the comparative advantages of the GEF.

The increasing number of international conventions and agreements in the realm of the environment is creating growing coordination problems at the operational level for which the proliferation of national focal points is just one indicator. If each convention and agreement wants to create its own financial mechanism, we will be faced with problems of unnecessarily high transaction costs and operational inefficiencies. Even more fundamentally, there would be growing problems with the mobilization of financial resources in a climate of decreasing public interest and donor fatigue, due to what some are already calling "trust fund congestion."

While the primacy of the Conventions in setting the GEF's policies and strategic priorities is unquestioned, there is much room for improvement in the process through which this occurs. For example, the guidance provided by the Conventions needs to be better focused, clarified, prioritized and sensitized in order for the GEF to improve its ability to respond adequately.

NEW FINANCIAL INSTRUMENTS WITHIN THE GEF

A model in which the Conventions have primacy in providing guidance to the GEF to shape its operational work programs includes the possibility for the creation of innovative financial arrangements designed to reduce the funding shortfall for the implementation of Agenda 21. The GEF has already made progress in this area through its IFC-administered funds and through the creation of several funds at the regional and national levels, among them those designed to boost prospects for the long-term sustainability of project interventions. Much work remains to be done, however, to strengthen this model, to increase its effectiveness and to ensure that efforts to develop national markets for cleaner technologies do not result in domestic market distortions that diminish prospects for sustainability.

Regarding GEF financing, Switzerland has consis-

tently advocated that donors provide higher levels of funding than those ultimately agreed to. This includes the most recent negotiations in which Switzerland has unconditionally offered its share for a fully funded second replenishment, along with just two other countries. Now we find it important that efforts to raise additional funds for the GEF be intensified. Existing experiences with existing special funds and other financial instruments—be they associated with the GEF or not—should be thoroughly evaluated and the lessons carefully derived. The result should be a new and practically oriented GEF strategy for special fund design and management and for engaging the private sector through novel financial arrangements. Loan guarantees to reduce risks for private investors deserve special attention but should be just one of the instruments under consideration. Clearly elaborated options should be presented to the GEF Council at its next meeting.

If the GEF is serious about creating new opportunities for private sector participation, the Council should be prepared to delegate some of its decision-making authority at the project level to the managers of financial instruments designed for this purpose. This would certainly not constitute a “sellout” of any kind, since the Council would take pains to ensure a coherent and consistent framework of environmental and operational criteria for each instrument before allowing it to become operational.

OPERATIONAL POLICY ISSUES

The GEF should continue to streamline the project cycle—without sacrificing quality—and introduce new measures aimed at strengthening the prospects for project sustainability. To aid this process, the GEF should monitor and evaluate its programs and projects more systematically and disseminate and apply the lessons learned.

Ownership of GEF project interventions at the national level could be further promoted through an improved GEF outreach and communication strategy that focuses on recipient countries and directly involves the focal point system. Part of this strategy should be to take into account established national priorities while building the capacity of the media, civil society organizations, national academic institutions and government agencies to propose improved policies and projects.

Further measures to promote country ownership

would be to maximize the use of national consultants and expertise in the context of GEF project design and implementation. The STAP and the GEF focal points could be very helpful in achieving this by focusing on building relationships with national scientists and scientific institutions in recipient countries. This would help invigorate the national level dialogue on environmental matters and also facilitate the low-cost production and dissemination of GEF information in local languages to promote participation and ownership by national stakeholders in all stages of the project cycle. The ultimate goal of these efforts would be to increase recipient countries’ interest in or capacity to manage global environmental problems.

In addition, there should be a regular review of the GEF project pipeline with information on the status of individual projects in the approval process. The GEF project pipeline should be regularly compared with that of other relevant institutions to promote synergies and to improve cooperation and funding coordination for the global environment. The payment of existing arrears from GEF-1, which hinder pipeline development, must be made an urgent priority and the affected countries should be required to submit regular status reports to the Council.

The goal of integrating global environmental concerns into the regular operations of the GEF implementing agencies continues to be important. There is much evidence that projects in the regular portfolios of the implementing agencies continue to include environmentally detrimental externalities that are often ignored, even in projects labeled as “environmental” projects. There have been cases where GEF funding has been used to try and mitigate environmentally negative outcomes of regular portfolio projects of the same implementing agency. This undermines ongoing efforts to ensure that development projects internalize their social and environmental costs, which is an essential condition for long-term sustainability.

The role of the GEF Secretariat as coordinator and catalyst should not only be maintained but strengthened. A strong Secretariat will be crucial to ensure coherence in GEF operations and to implement agreed changes and innovations.

We are confident that the first GEF Assembly will serve to strengthen the resolve of the international community to increase collaborative efforts to effectively address global environmental problems.

Statement of Thailand

Asda Jayanama

Ambassador to the United Nations

Let me, first of all, join with the previous speakers in congratulating you, Mr. Chairman, for your election to this important position. I am very confident that with your guidance and leadership our deliberations will be concluded with fruitful results. My congratulations also go to the Bureau.

The Rio Summit some 5 years ago gave impetus to the restructuring and modernization of the present-day GEF. The United Nations General Assembly Special Session on Environment and Development last year reviewed and followed up our efforts in environmental protection since Rio. And now today we are holding this first Assembly meeting of the GEF in this historic city of New Delhi.

This is a natural chain of events in our effort to build appropriate institutions dealing with environmental protection. We thank the Government of India for hosting this timely event.

My delegation wishes to thank the Secretariat for initiating the study and evaluation of GEF's overall performance which made a number of convincing conclusions and pertinent recommendations on GEF's work. Many of these were incorporated into the CEO's report to the Assembly.

Regarding incremental cost requirements, we do understand the reasoning that has made this issue prominent in GEF's operations. However, it has been a contentious issue regarding the proper calculation of the incremental costs base on the cost sharing principle. Therefore, we are in total agreement with the CEO's support for the Council's request that further work on the concept of incremental costs be undertaken by the Secretariat in consultation with the agencies involved and welcome efforts to explore ways to make the process of determining incremental costs more flexible and easier for recipient countries.

Another important issue recognized in the CEO's report is private sector involvement in GEF's work. There is now a very clear realization that to achieve the utmost objectives of GEF, mobilization of funds from all sources is needed. Co-financing of GEF projects by the private sector and other donors to cover part of the costs of a GEF project should be encouraged as much as possible and the modalities for their involvement should be seriously explored. In this connection, we strongly encourage GEF to promote a

greater participation in GEF activities by the Regional Development Banks.

We do agree that responsibility for implementation be with the country and that the commitment to a project and its ownership be such that they guarantee a reliable sustainability following the completion of the GEF project.

As the knowledge of GEF in recipient countries is still relatively limited, we would like to support the CEO's report as stated in para 54 b(ii), which proposed that the Secretariat should intensify its efforts to familiarize the relevant government officials and stakeholders with GEF's objectives and procedures by developing and implementing a suitable outreach program. This strategy will also give us the opportunity to reach different groups in society, thereby creating new GEF advocates. In this connection, we strongly support the Secretariat's recommendation that STAP be called upon to assign high priority to assisting the GEF in building strong relationships and networks with the global scientific community.

We strongly believe that mainstreaming as stated in para 54c of the CEO's report of GEF activities in the three main implementing agencies is essential for building a much stronger GEF in the future. In this connection, we agree with the conclusion of the study team regarding the three agencies and endorse the recommendations pertaining thereto. In this regard, we would also like to stress that competitive efforts should be avoided and clear division of labour should be strived for.

Before I conclude, let me share with you the achievements of Thailand's demand side management, or DSM, strategies. Over the last two decades, Thailand has witnessed an important increase in energy consumption. This factor has prompted the Royal Thai Government to cooperate with the World Bank and GEF in implementing the DSM programme since 1991 in order to maintain an environment-friendly development. To obtain cost-effective energy services and develop energy-sufficient services, the Electricity Generating Authority of Thailand, known as EGAT, has been implementing the following strategies:

- A market transformation through a voluntary engagement from all levels of society.
- An energy-efficiency labeling.
- The creation of a customer-oriented programme such as the "green buildings approach" that enables

each consumer to save on energy cost in his respective businesses.

■ Encouraging private companies to save on energy costs through incentives.

These strategies have led to significant energy saving of 1.799 gigawatt hours, and 1.34 million tons of CO₂ emissions reduction (as of February 1998). Although these figures reflect an achievement in the field of environmental management, some strategies have had to be adapted to suit the socio-economic situation in Thailand.

One must not forget that a strategy that fits one country is not always suitable for another. Therefore,

the sensitive issues of the first cost barrier, the rebate-based incentive schemes and the countries' basic infrastructures for energy efficiency should be properly taken into consideration.

In conclusion, we thank the Government of India and GEF for the opportunity given to all of us to exchange our views on the roles, present and future, of this important institution, which has the difficult task of making our environment a better place to live in. Even though there will always be obstacles, we do believe that many ideas for improvements in the work of GEF will be proposed during this meeting, thanks to all participants' wisdom and experiences.

Statement of Togo

S.E.M. Koffi Santy Sany Adade

Minister of Environment and Forest Production

Je voudrais tout d'abord au nom du Chef de l'État et du Gouvernement togolais saisir cette occasion pour remercier le Gouvernement indien et le Secrétariat du Fonds pour l'environnement mondial de l'invitation qu'ils ont bien voulu faire à notre pays afin de prendre part aux travaux de cette première assemblée.

Je voudrais également adresser ma reconnaissance au directeur général et président du Fonds pour l'environnement mondial, Monsieur Mohamed T. El-Ashry, et son équipe pour tous leurs efforts en vue de permettre au Fonds de remplir sa mission à laquelle le Togo reste attaché.

Monsieur le Président de l'Assemblée, veuillez accepter les vives félicitations de ma délégation pour votre élection.

Il y a six ans à Rio, nous reconnaissons que la résolution des problèmes de l'environnement devrait contribuer à promouvoir la paix et le développement sur les plans national et international.

Dans cette perspective, les pays en développement se sont engagés à tout mettre en oeuvre en vue de la gestion rationnelle de l'environnement.

Les pays développés devraient dans le cadre de l'assistance aux pays en développement, outre leurs obligations de caractère écologique, fournir des ressources financières nouvelles et additionnelles en vue de créer un environnement économique international favorable, et contribuer à l'élimination de la pauvreté.

Les objectifs que nous nous étions fixés à Rio étaient fort louables.

Malgré cela, aujourd'hui, la pauvreté qui est reconnue comme une des principales causes de la dégradation de notre environnement continue de sévir à nos portes et sous nos yeux.

Des millions d'hommes, de femmes et d'enfants dans un élan désespéré, pour mieux survivre, sont obligés de puiser dans les dernières réserves abusivement exploitées rendant aussi la nature écologiquement austère.

Néanmoins, le nouveau type de partenariat comportant à la fois des responsabilités communes et différenciées et permettant de promouvoir une coopération à l'échelle nationale, régionale et mondiale pour un développement que nous voulons durable, fait son chemin.

Pour sa part, le Togo a entrepris des actions concrètes pour contribuer à la réalisation de l'objectif commun.

Le processus du Plan national d'action pour l'environnement (PNAE) a été relancé en octobre 1995 avec une vision plus large qui l'inscrit dans un contexte sous-régional et international renforcé par les conclusions de Rio et les diverses conventions auxquelles le Togo est Partie.

Ce processus est axé sur une gestion intégrée et globale de l'environnement. Il sera désormais continu et permettra à court terme de renforcer les capacités nationales de gestion de l'environnement

et de promouvoir une éthique écologique dans tous les secteurs du développement en vue de consolider le cadre des mesures de redressement économique du pays afin d'asseoir le développement sur des bases écologiques viables.

Depuis qu'il est devenu un des mécanismes financiers permanents, résultat véritablement positif du sommet de Rio, le Fonds pour l'environnement mondial restaure l'espoir de milliers d'âmes que la pauvreté continue de pousser à dégrader l'environnement. Les réformes récemment intervenues dans son fonctionnement pour le rendre plus souple ont permis à notre pays d'attendre aujourd'hui des financements. Le Togo, par ma voix, présente ses sincères remerciements au FEM et voudrait toujours compter sur ce mécanisme pour le financement des programmes en préparation.

La solidarité, la coopération et le partenariat que nous appelons de tous nos vœux doivent s'affermir au fil du temps. C'est pourquoi ces réformes doivent être soutenues par souci d'efficacité car bon nombre de pays en développement, confrontés aux phénomènes d'environnement mondiaux graves, ont d'énormes difficultés à accéder à ce Fonds.

Afin d'assurer la viabilité de sa politique de gestion de l'environnement, le Togo a adopté une approche participative et décentralisée et cherche à promouvoir un cadre de partenariat devant reconnaître les droits et devoirs de tous les acteurs du développement.

Aussi, un programme national de gestion de l'environnement intégrant les principales dimensions environnementales et prenant en compte les préoccupations des différents acteurs du développement est en cours d'élaboration pour être mis en oeuvre en 1999.

Notre planète ne connaîtra un réel développement durable que par la promotion de telles initiatives participatives.

Le FEM à travers ses agences d'exécution, notamment la Banque mondiale, le PNUD et le PNUE, a commencé à imprimer cette nouvelle vision de participation des populations à la gestion de l'environnement, de capitalisation des connaissances disponibles avec l'appui d'organisations avérées, de recherche de la continuité et de la cohérence dans l'action, et ceci est encourageant. Le Togo souhaite que cette dimension du développement soit de mieux en mieux intégrée dans les orientations stratégiques du FEM.

Notre présence ici justifie tout l'intérêt que le Gouvernement togolais attache à ce fonds pour réaliser son Programme de gestion durable de l'environnement. C'est pourquoi nous avons la conviction que les conclusions des travaux de cette auguste Assemblée iront dans le sens de la continuité et du renforcement de l'appui du FEM à la cause des moins nantis. C'est sur cette note d'espoir, Monsieur le Président, que la délégation qui m'accompagne et moi-même souhaitons plein succès aux travaux de cette Assemblée.

Statement of Tunisia

Mohamed Mehdi Mlika

Minister of Environment and Land Use

Je voudrais tout d'abord remercier le gouvernement de l'Inde pour l'organisation de cette importante réunion et pour l'accueil chaleureux. Nos remerciements sont également au Secrétariat du GEF comme le temps qui nous est imparti est bien court, je vais essayer de parler de certaines de nos préoccupations.

La première de nos préoccupations est que les apports financiers pour le GEF n'ont pas été à la hauteur des engagements des pays donateurs ce qui a entraîné la réduction non seulement des actions jugées prioritaires mais également l'amputation de projets déjà approuvés par le GEF, ce qui n'a pas facilité le travail du Secrétariat.

Je citerais en l'occurrence le projet de gestion de la pollution pétrolière dans la région Sud-Ouest de la Méditerranée qui prévoyait de rendre opérationnelle la lutte contre la pollution par les hydrocarbures dans les eaux internationales. Le projet s'est réduit à équiper légèrement un port par pays. L'objectif du projet initial, qui était d'équiper cinq ports, n'a pas été atteint. Une deuxième phase de ce projet, associant la côte Sud-Est de la Méditerranée, est en cours de préparation. Notre souhait est que cette deuxième phase rattrape ce qui n'a pas été fait au cours de la première phase et que l'objectif, qui est la protection de la Méditerranée soit atteint.

La Tunisie a signé et ratifié les Conventions interna-

tionales de protection de l'environnement issues de la CNUED ainsi que le protocole de Montréal.

Pour honorer sa signature, la Tunisie a totalement arrêté l'utilisation des substances qui appauvrissent la couche d'ozone dans la réfrigération, les mousses et les aérosols avec l'aide du GEF.

Pour les changements climatiques, nous sommes en train de finaliser l'étude sur l'inventaire des gaz à effet de serre, d'élaborer notre stratégie qui devrait fixer les grandes orientations du pays surtout dans le secteur énergétique responsable de la majorité de ces gaz.

Concernant la biodiversité, nous avons élaboré un plan d'action et la stratégie rationnelle, nous comptons sur le GEF pour nous aider à les mettre en oeuvre.

Je ne voudrais pas oublier de mentionner la conven-

tion de lutte contre la désertification qui n'a pas encore eu tout l'intérêt qui lui revient en dépit de l'importance et de la menace que représente ce fléau sur l'environnement et les populations les plus démunies.

Je rappelle que la désertification est indissociable de la biodiversité et des changements climatiques et la lutte contre la désertification doit bénéficier de financements appropriés.

En tant que Président du Bureau du Plan d'Action pour la Méditerranée, et en raison de l'importance de cette région dans le trafic maritime international, en tant que première région touristique du monde et en tant que berceau de plusieurs grandes civilisations, je lance un appel au GEF pour appuyer nos projets par des financements conséquents.

Statement of Turkey

Firuz Demir Yasamis

Undersecretary for Environment

On behalf of the Turkish Government, I would like to extend my sincere appreciation to the GEF and to the implementing agencies of the World Bank, the UNDP and the UNEP for their diligent and exhaustive work to initiate and develop a new but very significant international finance institution for the alleviation of the environmental pains of this globe. I also would like to extend my congratulations to the CEO, Mr. El-Ashry, for his success in finalizing the second replenishment of the GEF.

The Global Environmental Facility has emerged as a new hope, especially for those countries that are in need of extra and additional financial possibilities to deal with the environmental problems that they have inherited from the past generations of the whole world.

GEF, although still in its infancy, has so far successfully demonstrated that it is capable of helping those who are in need of financial and technical assistance. The member countries should also be appreciated and congratulated for the sincere approaches they have so far demonstrated for the fulfillment of the GEF's overall objectives.

I am very much pleased to indicate that my country, Turkey, is also committed to the enhancement of global environmental quality, improvement of the carrying capacity of the world's ecosystems, upgrading the global quality of life and effective manage-

ment of environmental risks that pose danger to all humankind as well as to the whole global ecosystem.

In this regard, Turkey, so far, has considerably contributed to the implementation of the Montreal Protocol on Ozone Layer Depletion, and these efforts have been recognised and appreciated with a prize for being a successful national focal point by the Ozone Secretariat. The Turkish Government is pleased by this cordial appreciation of the organization and will keep on contributing to the solution and mitigation of other global concerns.

Environmental problems of the world, as it would be accepted and agreed, are far beyond the limits and potentialities of the GEF. Therefore, prioritisation of the topics to be dealt with should somehow be realised. However, I do believe that the present scope of the work is too narrow to fulfill the expectations of the receiving countries. I must say that the global objectives cannot be realized unless grass-root problems of the nations in need are adequately addressed.

In this regard, GEF should not be seen as the fund for environmental problems of a global nature—such as acid rains, global warming, greenhouse gases, ozone layer depletion, desertification and international waters—but also should be seen as the sole environmental fund for the countries of this globe. This may mean a shift in the already agreed priority policies of the Facility, but I am quite certain that

national and local environmental problems that are not comprehensively global in nature should also be dealt with effectively under the umbrella of GEF. And I should also indicate that the role and power to decide of recipient countries vis-à-vis non-recipient countries should also be further strengthened and con-

solidated in the Council, as they so rightfully deserve.

I would like to conclude my remarks by again thanking those who have contributed to the establishment of the GEF and by repeating my country's sincere commitments to the objectives and the ideals of this long-awaited organisation.

Statement of Uganda

S. Sendaula Gerald

Minister of Natural Resources

On behalf of the Government of Uganda and of my delegation, allow me to convey to you warm and fraternal greetings. It is indeed an honour and privilege to be invited to address this first GEF Assembly.

May I take this opportunity to commend the Government and people of India for the warm hospitality and the GEF Secretariat for organising this meeting.

Uganda's commitment to the aims and objectives of GEF is unequivocal. The continued presence of GEF as a strategic framework for responding to global initiative on the environment is of utmost importance. I therefore take this opportunity to reaffirm once again the Government of Uganda's commitment to the GEF programme and to thank GEF for its support.

My delegation shares the concern that has been raised of the need to step away from focusing on reaffirmation of commitments and take concrete steps to implement them. It is in this spirit that my delegation now proceeds, with your permission, to raise the following areas of particular concern to our country.

While my delegation notes with appreciation that GEF now has in place relatively clear guidelines on project preparation, the GEF project cycle and the whole project formulation is long, cumbersome and difficult. The lengthy preparation period often leads to cost overruns. We therefore recommend that implementing agencies should be encouraged to assist in speeding up the process.

My delegation is also concerned that inadequate attention has been paid to capacity building, whether in regard to capacity for backstopping GEF operations in general terms or for sustaining real interventions. We strongly contend that capacity building in environmental management is essential and that specific interventions should be identified in order to realise sustainable global benefits at the end of project

implementation. My delegation strongly believes that GEF operations could be further improved by strengthening the capacities of national coordination of programmes and projects and also through a clear elaboration of information, biodiversity data management, public awareness and outreach.

My delegation notes that although agro-biodiversity has increasingly become an area of concern to many countries, particularly developing ones like Uganda, it has not yet been given the necessary attention it deserves by the GEF. Agro-biodiversity cannot be tackled just through forest or arid or semi-arid ecosystem approaches and needs to be specifically targeted where none of the ecosystems is relevant. My delegation reaffirms its support to the UN Food and Agriculture Organisation and other agencies in their efforts to streamline agro-biodiversity activities and urges the GEF to make agro-biodiversity an important thematic area for funding.

This Assembly decided that GEF will finance only interventions where there is evidence of global significance. However, because this is not set in quantitative parameters, member countries have sometimes been told by implementing agencies that some of their proposed interventions are not globally significant. My delegation wishes to recommend that guidelines should be set for determining the levels of significance.

On the question of funding, my delegation notes with concern that contributions to the GEF Trust Fund are inadequate compared to the demands. We would like to urge the developed countries to meet their financial obligations to the Fund.

With regard to the structure and membership of the GEF, my delegation notes that the constituency to which a member country belongs is determined by the GEF Secretariat. However, we also note that con-

stituency member countries are not facilitated in networking. Consequently, Council members never get views from the capitals of their constituent members. My delegation contends that in order for Council members to effectively represent their constituencies, this Assembly needs to work out modalities for revitalizing and operationalising the various GEF networks as avenues for information exchange against the emerging challenges in socio-economic develop-

ment and environmental management.

We also believe that some constituencies have become too large and recommend that this Assembly revisit the size of various constituencies in order to ensure effective representation.

In conclusion, I wish to thank the GEF Secretariat for the able and competent manner in which they have facilitated the implementation of GEF decisions and for facilitating this Assembly.

Statement of the United Kingdom

David Turner

Head, Department for International Development

n behalf of the United Kingdom, I wish to thank the Government and people of India for inviting us to New Delhi and hosting the first Global Environment Facility Assembly. We were honoured to be addressed by the Prime Minister, Finance Minister and Environment Minister. We congratulate the President of Costa Rica on receiving the first annual GEF Global Environment Leadership Award. And we are indebted to Mohamed El-Ashry, Chairman and CEO of the GEF, and all his colleagues, and the heads of the implementing agencies and their colleagues, for all the preparations and contributions to this Assembly. The excellent publication, *Valuing the Global Environment*, with the thought-provoking foreword by President Cardoso, will continue to remind us of why we gathered here in New Delhi.

The Prime Minister of India told us yesterday that sustainable development could not be pursued by a nation in isolation—the endeavour had to be a collective one. He told us that national environment policy would harmonise the demands of development and environment. We share what many speakers said yesterday about the link between poverty and environment. My Government recently published a policy on international development that has at its heart the elimination of poverty and working in partnership to help create sustainable livelihoods for poor people, promote human development, and conserve the environment.

This Assembly marks a watershed for the GEF. It has come of age, ready for the new millennium. We are meeting to review, discuss and celebrate the achievements of the GEF family so far, to look

at its role in the challenges ahead and to reflect on how the GEF will help to improve the quality of life for future generations. The GEF has been described as:

- A model of collaboration among countries.
- A necessity for international collaboration.
- A vehicle that helps link national and global priorities.
- A family that the world needs.

We have also heard that the GEF should have more resources, tackle more issues and solve the planet's environmental problems. It will make a positive contribution to these issues, but as a catalyst rather than the panacea. Now that the GEF has been successfully replenished, it is even better placed to play its role—a role that encourages genuine partnerships; helps integrate global environment issues with national priorities at the national level; and encourages the international community and its bilateral and multilateral institutions, whether Bretton Woods or the UN, to do likewise.

We fully endorse the GEF 2 replenishment policy recommendations, based on the overall performance study, because they will improve the quality of GEF activities. They will do so in six ways:

1. Improved country ownership and capacity, integrating global environmental issues into national sustainable development policies.
2. Better mainstreaming of global environmental objectives into the regular policies and programmes of the implementing agencies.
3. Better involvement of the private sector, and partnerships with them.
4. Enhanced monitoring and evaluation and the urgent development of performance indicators.

5. Greater participation of other international and regional organizations.
6. Further clarification of the application of incremental costs.

What is clear is that:

- The GEF is sufficiently mature to allow the Conventions it serves to focus on implementing their agendas.
- The GEF has a positive role to play in the post-Kyoto agenda, including the clean development mechanism.
- The GEF has, within its mandate and operational programmes, further action to be taken on land degradation.

- The GEF has a positive role to play in emerging environmental challenges such as chemicals, including persistent organic pollutants, which ought to be defined in advance of negotiations.

For the GEF to advance this agenda, the GEF Council will need to reflect on the outcome of this Assembly and to be realistic where others are best placed to play the decisive role or contribution.

Finally, let me confirm that the UK has been and will remain a staunch supporter of the GEF—GEF that plays its part in helping to integrate global environmental issues at the national level in a way that meets national priorities and aspirations.

Statement of the United States

William Schuerch

Deputy Assistant Secretary of the Treasury

I want to express the deep appreciation of the United States to the Government of India for hosting the first Global Environment Facility Assembly. In particular, we are grateful to the Prime Minister, to our Chairman, Mr. Sinha, and to the head of the Indian delegation, Mr. Prabhu. We also want to acknowledge the very substantial and significant efforts of the GEF's CEO and Chairman, Mohamed El-Ashry, the GEF Secretariat, the Vice-Chairmen, and the implementing agencies in arranging this important event.

The U.S. strongly supports the Global Environment Facility and its goals, and we value highly the cooperation this organization facilitates among almost every country of the world in addressing the pressing global environmental threats that face us all. This Administration is firmly committed to fulfilling all the past and current U.S. pledges of financial support to the GEF.

The Facility's history is one of rapid development, from its pilot phase, to its restructuring, and through its first operational period. It has faced considerable challenges, and it has emerged as a unique and vital actor on the world stage—one which we believe should be designated as the permanent financial mechanism for the Conventions on Biological Diversity and Climate Change. GEF also has strengthened its project development capacity and has quickly established a solid portfolio of projects in all of its focal areas. It has streamlined preparation and approval

of many types of projects, and it has established medium and small grants programs to efficiently deliver resources to the local level through NGOs and other organizations.

The GEF has pioneered unprecedented and urgently needed levels of public participation—crucial, because this democratic, ground-up approach is an imperative for truly sustainable development. And GEF is moving to establish the strongest possible monitoring and evaluation, to transform experimental methods into practical new ways to achieve the dual priorities of economic growth and environmental protection. We believe that the rapid development of GEF and its unique contributions and achievements, coupled with the successful replenishment agreement which we should all be proud was accomplished earlier this week, assures the GEF a stable and secure future among our most important international organizations.

Looking forward, a top priority for increased effectiveness is to “mainstream” global environmental issues more completely into the development process. Foremost, this means “mainstreaming” environmental protection into the regular projects and sector work of the implementing agencies and into other international organizations. A critical complement to institutional “mainstreaming” is country “mainstreaming.” This means thoroughly integrating global environmental protection into all countries' economies, development plans, and programs. Successfully achieving this objec-

tive will require the dedication and involvement of all sectors of society, from each community to the top levels of national government.

Integral to country “mainstreaming” is bringing to bear the domestic resources of each country on economic development options that protect environment even as they support growth and development. These domestic resources will have a much greater impact on environmentally sustainable development than foreign investment and overseas development assistance. Reorienting domestic resources need not entail sacrificing economic development. Indeed, we firmly believe all countries have innumerable opportunities to protect the environment while at the same time protecting human health, improving welfare, and providing long-run economic security. We believe that economic growth and environmentally sensitive actions are not separate alternatives but are of necessity long-term complements.

The United States’ own experience illustrates that this is the case. We have reaped both public and private rewards through investment in environmental protection. One clear example is that establishing more effective codes and standards for buildings and equipment has led to dramatically increased investment in energy conservation, thus increasing our economic efficiency while also reducing harmful air pollution. Working as a partner with developing countries, the GEF should play an increasingly important role in demonstrating and facilitating the flow of private and domestic public resources to these types of win-win approaches. It is our hope that this first participants’ Assembly of the GEF will serve to invigorate our mutual commitment to this crucial task, while we also pursue the macroeconomic policy reforms—emphasized by Prime Minister Vajpayee this morning—on which sustainable development also depends.

While celebrating GEF’s very significant accomplishments and past improvements, we must also note that the recent study of GEF’s overall performance shows a need for continuing reforms in order for the GEF to reach its full potential. We want to highlight a few priorities for the GEF’s further development. We suggest:

- That the GEF and its implementing agencies should coordinate with bilateral agencies in country assistance planning and should more deeply involve these agencies in project development and implementation.

- That the GEF should move to a more strategic allocation of resources, to take advantage of the best opportunities for achieving positive global environmental impacts.

- That the GEF should explore options for expanding the number of agencies through which it operates in order to promote competition and to ensure the improved implementation—including direct project implementation through NGOs, PVOs, and regional development banks.

- That the GEF aggressively should seek ways to further facilitate private sector investment in environmentally sustainable development, not only to leverage GEF resources, but also to enhance their effectiveness.

- That, consistent with the need for global cooperation, stronger financial support should come from developing countries and countries with economies in transition, especially from the newly industrialized countries, countries that do not yet contribute, and countries with large populations and large economies.

And finally, we suggest that to achieve the maximum impact from GEF resources, together we should set clear and publicly measurable goals for GEF operational and administrative performance, that we should devise focused strategies including performance indicators for reaching those goals, and that we should consistently and carefully measure GEF and implementing agency performance. Learning from the results of the first GEF independent evaluation, we also should ensure full follow-through on the overall performance study and set advance plans for further independent evaluation prior to the next replenishment. This results-oriented approach is crucial for improving all large organizations, particularly those as rapidly evolving as the GEF. In fact, the United States Government and each of its agencies also is currently working through just such a process. This type of adjustment is not easy, but the potential rewards are great.

In closing, let me say that not only does the Administration commit to fulfilling its past pledges and its near contribution to the second replenishment of the GEF, not only does the United States strongly support the GEF, its activities, and its continuing improvement, but even more importantly, we are committed to the sustainable development principles on which the GEF was founded and to their application not only in the U.S. and in all countries, but also in the implementing agencies and across all international financial and development institutions. We look forward to the day when the voices of all other GEF supporters consistently join us in speaking out in support of fully applying sustainable development principles within these other institutions. That would mean that the GEF members themselves had “mainstreamed” the values we all seek to foster in our societies, to leave a better world for our children and our grandchildren.

Statement of Uruguay

Luis Almagro Lemes

Secretary, Ministry of Foreign Relations

En primer lugar queremos agradecer la cooperación que surge del FMAM y a través del cual hemos podido instrumentar y ejecutar el Plan de Acción Nacional, hemos efectuado la correspondiente Comunicación Nacional a la Secretaría de la Convención de las Partes de la Conferencia de Cambio Climático, el inventario nacional de gases de efecto invernadero y trabajamos en proyectos de Biodiversidad en la zona de los banados del este.

Por supuesto que también reconocemos que los mecanismos de financiación son perfectibles y deben ser adaptables. De hecho, estamos frente a metas e instrumentos que se deben ir renovando de acuerdo a los nuevos requerimientos que plantean los problemas ambientales y las necesidades de los países. La Biodiversidad, la protección de la capa de ozono, protección de las aguas internacionales y el cambio climático exigen de nosotros superar metas y plantearnos nuevas. El Mecanismo de Desarrollo limpio que recoge el protocolo de Kioto, las metas de reducción fijadas para los países del anexo 1, el fenómeno de “El Niño”, los problemas de pesca y de contaminación en las aguas internacionales, el aumento de la productividad y el desarrollo, exponen a nuestros países a definiciones políticas urgentes y a un trabajo que no puede interrumpirse.

Por ello la importancia de velar por los esfuerzos financieros que se realicen y hacer que los mismos sean efectivos y alcancen la dinámica que las propias condiciones de los problemas imponen.

La Alianza del Banco Mundial, el PNUMA y el PNUD es por sí un loable esfuerzo al que damos la bienvenida, pues es un instrumento que da nuevo impulso a los esquemas de cooperación. Asimismo, comprendemos que existen posibilidades para hacerlo más dinámico y efectivo.

Más dinámico, pues la tramitación de las solicitudes debe ser más rápida, enmarañarse menos en esquemas de la burocracia, las revisiones deben

adquirir elementos que las hagan más flexibles y que el apoyo y asesoramiento técnico que se dé a las partes contribuya a hacer este procedimiento menos engorroso. A lo expresado hay que agregar que sería posible un sistema más ágil con la solución de los muchos problemas de orden práctico que se plantean en relación a los costos incrementales.

El sistema debe ser más efectivo, entendiendo en este sentido que los resultados que de los proyectos debemos obtener dependen los cambios reales que necesitamos para los problemas ambientales. Para conseguirlo se debe disponer de más fondos, lo que dependerá de la optimización del relacionamiento con el sector privado, de la consideración de problemas ambientales en los planes de inversión industriales, del mayor aporte de los países más comprometidos con los procesos de reversión. No puede dejar de entenderse que combatir la pobreza, constituye un objetivo en sí mismo, además de una fundamental acción para la solución de graves problemas de medio ambiente y que, por lo tanto, las pautas de desarrollo no deben condicionarse.

También implica una mayor efectividad un mejor manejo de los recursos, para lo cual hay que asegurar la atención sobre las prioridades específicas de nuestros países y que se realice el control administrativo de cumplimiento de los objetivos de la gestión.

Bregamos en el sistema actual por una flexibilización de las estructuras, mayor transparencia para el fortalecimiento de las sociedades, una mayor descentralización y estrategias que incluyan prioridades nacionales dentro de un contexto más amplio que permita más flexibilidad operacional.

Quiero terminar diciendo que creemos que, en el camino de la descentralización, es importante la tarea que son capaces de desempeñar los Bancos Regionales; compartir esta experiencia de cooperación con ellos, daría a nuestros países formas más enriquecedoras de diálogo y mayor capacidad en la gestión

Statement of Uzbekistan

Taudat Nurbaev

First Deputy Minister, Main Committee on Meterology

I have the honour of expressing my gratitude for the excellent organization of the meeting. I would like also to thank the Government of India for the given opportunity to take part in this forum in the capital of India, New Delhi.

The Government of the Republic of Uzbekistan has defined sustainable development as a priority task. Its realisation is impossible without the solution of problems of desertification and drought, climate change, biodiversity, protection of international water and depletion of the ozone layer.

For Uzbekistan, as well as for other states of the Aral Sea Basin, the problem of combatting desertification and drought is one of the most important in achieving sustainable development. The crisis of the Aral Sea—caused by unreasoned policies of use of water and soil resources in the region—are known to all of you. With gratitude we are aware of the concern of the world community in this connection, which is expressed—and, I hope will be expressed—in support of efforts carried out by Uzbekistan, in liquidation of this crisis.

With the support of the Global Environment Facility in the Republic of Uzbekistan the mechanism of facilitating implementation of the ecological conventions adopted for realisation of Agenda 21 is worked out.

The carried out projects on biological diversity

and climate change are resolving technical, social and political questions simultaneously; these require from their executors constant information exchange and ongoing consideration of new ideas and decisions.

With the help of the Global Environment Facility in our country, capacity building of both institutional and human potential is ongoing. The implementation of the projects financed by GEF improves our knowledge and strengthens the visibility of environmental pollution in the framework of broader political priorities.

In Uzbekistan, articles on the environment are being published in the mass media as a result of the action plan on problems of climate change, and biological diversity; this strengthens the knowledge of the population about GEF policy.

The success of GEF in recipient countries also depends on the use of focal points. We welcome the recommendations of GEF about the strengthening of their functions.

Uzbekistan welcomes the work of the group monitoring and assessing GEF activity and approves the results of GEF work.

In conclusion, I would like to assure you, Mr. Chairman and GEF Council, that Uzbekistan will dedicate its efforts to effective cooperation and improvement of GEF activity, directed at the global environment.

Statement of Vietnam

Pham Sy Tam

Ambassador to India

The Vietnamese Delegation has the honour of expressing its profound gratitude to the Government of India, to the Chief Executive Officer/Chairman of the GEF and the GEF Secretariat for their excellent organization of this very important first Assembly of the Global Environment Facility.

Under the able leadership of the GEF Chief Executive Officer and with the guidance of the GEF Council and participant states, the GEF has shown a constant determination to improve the focus, efficiency and effectiveness of its operations. Vietnam hopes that participants will honour the hospitality of our hosts by agreeing to strengthen the GEF as the finan-

cial mechanism for the Rio Conventions and by reaffirming the existing consensus about the GEF operating policies.

Vietnam's message to the first Assembly of the GEF is essentially in three points:

1. The GEF should remain the designated financial mechanism for the Rio Conventions on Climate Change and Biodiversity. The GEF principle of financing incremental costs may be adapted methodologically, but should be maintained to ensure consistency with Agenda 21 and the Rio Conventions.
2. Vietnam's delegation especially welcomes the GEF overall performance in the areas of biodiversity and climate change, particularly in its ability to leverage additional funding for global environmental benefits from both implementing agencies and other funding sources. The Vietnamese delegation also wishes to draw the attention of this Assembly to the suspension of the projects that were negotiated and submitted to the GEF.
3. Vietnam is a developing and transition country, and the present trend of development of industry and economy points to an increase in pollution, degradation; Vietnam therefore welcomes the recommendations that the GEF should do more to provide guidance for strategic action for environmental protection.

We in Vietnam consider the environment in and around our country to be an important part of the global environment because, among other reasons, it is situated between two big oceans, and the country is very rich in biological and natural diversity. It also has two big rivers—that is, Mekong and Red River.

With the aim of supporting the ideas of the GEF, the Government of the Socialist Republic of Vietnam

has established the National Council of GEF Vietnam.

GEF Vietnam consists of various important ministries—such as the Ministry of Science, Technology and Environment; of Foreign Affairs; of Finance; of Planning and Investment—and the Prime Minister's Office (the Government Office). The Vietnam GEF council is headed by His Excellency Mr. Pham Khoi Nguyen, Deputy Minister of Science, Technology and Environment as its chairman.

GEF Vietnam has a permanent body with its office in the Ministry of Science, Technology and Environment in Hanoi. That is called the National Environment Department Agency.

The process that culminates in the submission of projects to the Council of the Global Environment Facility in Washington is done very carefully and slowly to identify basic priorities.

The chosen projects go to the Vietnam GEF chairman and its members for careful consideration. Those projects that succeed in passing the filter and are adopted by the Vietnam GEF Council through a strict regime are submitted to the Government to be discussed and analysed further. Based on the urgent situation and necessities of the global environment, a very small number of projects can be approved and submitted to the international GEF in Washington according to their priority.

The protection of the global environment is now more necessary than ever before. So we, the Vietnamese delegation, once again wish the Council, the Chairman, the Secretariat, the agencies of GEF and the GEF as the whole many new successes and achievements in the noble cause of facilitating the protection of the global environment, which has attracted the hearty cooperation and coordination of the Government and people of Vietnam.

Statement of Zimbabwe

Charles Chipato

Permanent Secretary for Mines, Environment and Tourism

Allow me first to congratulate you and your entire team for your appointment to the Chair. I wish you well and success in the execution of your duties.

Let me also at the outset extend my delegation's appreciation for the warm welcome and hospitality

extended to us by the Government of India. I thank and congratulate the Government of India for successfully hosting this Assembly.

Whilst we are gathered to review general policies and operations of the Global Environment Facility, we must not lose sight of our main goal of protecting

the global environment and promotion of environmentally sound and sustainable economic development. At the same time, we should continue to strive for good governance that is transparent, participatory and democratic in nature. In addition to fulfilling its global commitments, the need for the Facility to remain responsive to the needs of its stakeholders cannot be overemphasized.

Stakeholder involvement and participation during the entire project cycle increases and ensures greater ownership and sustainability of programmes and projects.

My delegation welcomes the second replenishment of the GEF Trust Fund and, indeed, the need for GEF to develop and implement a strategy for greater outreach and communication. In order to improve information dissemination and public awareness, GEF councillors should be availed the financial resources to undertake outreach activities within their constituencies. Implementing agencies should enhance the work of councillors. My constituency would welcome such assistance, especially after this historic Assembly.

Zimbabwe is grateful for the assistance received from GEF so far, especially for the Photovoltaic Pro-

ject for Household Use and enabling activities for climate change and biodiversity. The project resulted in the installation of over 7,000 solar units in houses, schools and clinics, and community halls. This has uplifted the social standards of many rural communities, apart from the global environmental benefits. The project has also had some policy impact as Zimbabwe is fast adopting renewable energy technology into the national education curriculum. This trend might have some regional replication in some neighbouring countries.

The GEF Small Grant Programme has also been operating in Zimbabwe for the last 5 years. To date, about 29 community projects have benefited. The participatory approach applied in the planning and implementation of these projects has contributed to their success. The integration of livelihood improvement and environmental conservation has made these projects more sustainable. The programme has had a marked impact on local communities and NGOs have participated effectively in the programme.

It is against this background that my delegation requests an urgent renewal for this programme in Zimbabwe and other countries in my constituency.

Panel Highlights



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Panel of Eminent Persons

Chair:

Birgitta Dahl, Member, Swedish Parliament

Panelists:

M. S. Swaminathan, Director, M.S. Swaminathan Research Foundation, Madras

Crispin Tickell, Convenor, British Intergovernmental Panel on Sustainable Development

Mostafa Tolba, President, International Centre for Environment and Development, Cairo

This panel explored the mutuality of interests of all countries in protecting the global environment in the context of the pursuit of sustainable development.

In her opening remarks, Mrs. Dahl called on participants to consider the prospects of “social, economic, and environmental development of a benign character, linked together” and the role to be played by GEF and all other potential contributors to sustainable development. In her view, the “art” lies in choosing the right methods and practical actions for linking local and global environmental challenges and national and international resources in addressing problems of the global environment.

Mrs. Dahl recalled that the High-Level Advisory Board on Sustainable Development appointed by the U.N. Secretary General after the Rio Conference had identified three areas of strategic importance to meet people’s needs, promote economic progress, and secure sustainable development: energy, transportation, and water. It agreed that in these sectors, production technologies, consumption patterns, and lifestyles must be changed. Targets and programmes were identified for achieving social and economic progress without disastrous effects on either the environment or long-term economies of the countries involved.

Mrs. Dahl emphasized the importance of identifying initiatives that will make it clear to governments, citizens, and the GEF that it is possible and necessary to integrate the fight against poverty with economic progress and environmental concerns. Programs should be elaborated that would make it obvious that

it is possible and necessary to bridge—and later do away with—the gap between the idea of incremental costs and normal investment activities. She acknowledged that it will take time for sustainable development to become a reality, observing that bringing about change often calls for “both passion and patience.”

Dr. Swaminathan saw sustainability in terms of social and gender equity (including the important element of employment). He predicted that the new millennium would be the millennium of knowledge. Those who are undernourished will learn less, a fact that will lead to further gross inequity. He further pointed to the link between biodiversity and food security.

Food security, he suggested, involves the availability of food (agricultural production and biodiversity), the access to food (ability to purchase food/the market) and the absorption of food (food safety, including drinking water). Biodiversity is essential in as much as agriculture depends on land and water. A serious problem today is the loss of diversity in agricultural production, which currently depends on four or five crops. The genetic base of agriculture has also narrowed. Parks and other protected areas receive large amounts of public funding but in situ conservation of biodiversity depends on private resources of families and communities. Indigenous knowledge is being taken from communities without adequate compensation, Dr. Swaminathan observed. In the interest of equity, benefits should be shared with the poor who conserve indigenous knowledge. (“The poverty of the guardians of variety is not matched by the richness of the consumers.”)

Dr. Tolba observed that 30 or 40 current problems will carry over into the next century, including the problem of water supply. After energy, water may be the next largest cause of international disputes. His country, Egypt, is a low-income country with high water stress. If the global poverty line for water is an annual per capita consumption of 1,000 cubic meters, Egypt, at 900 cubic meters today, is already below the poverty line. With population growth it will be at 700 cubic meters by the year 2010. How

should Egypt address this problem? In Dr. Tolba's view, GEF is giving greater emphasis to marine resources than fresh water. Financing is needed to address the problems of water supply.

Today 250 rivers are shared by more than one country. Inter-country "ownership" of fresh water supplies is a major potential source of international conflict. Dr. Tolba also observed that more than 80 percent of Egypt's water is being used for agriculture. It is essential to change the antiquated system of irrigation, but this will cost large sums. The cost of modifying water use practices must be balanced against the costs of needed services in other areas, including education and health. The question is what should be GEF's role and responsibilities vis-a-vis the conservation of fresh water.

Sir Crispin Tickell noted that human population increase, land degradation, water supply, and threats to biodiversity—the four Horsemen of the Apocalypse—are driven by climate change. It has been determined that human activities contribute to the

warming of some areas of the world but changing parameters are also a factor: pollution in industrialized countries could shield inhabitants from global warming whereas melting ice water could make some oceans and neighboring areas colder and warm currents, on which e.g. Western Europe is dependent could change their routes. The issue is complex, and the global community is just beginning to address it. Emissions of carbon dioxide must be reduced, but this will require changes in energy, transport, and other policies and will be hard to achieve. It was clear at Kyoto that the United States and other industrialized countries are not interested in doing very much very soon. The largest emitters of carbon dioxide must make the biggest reductions. They must see that it is in their interest to do so. To reduce carbon emissions, governments must also tax fuel use, withdraw subsidies, and encourage the production of alternative energy. Some major oil companies foresee the need for change. Changes must be effected soon, or future generations will suffer.

Panel on Sustainable Development

Chair:

Vishwanath Anand, Secretary, Ministry of Environment and Forests, India

Panelists:

T. N. Khoshoo, former Secretary, Government of India

R. K. Pachauri, Director, Tata Energy Research Institute; Vice Chairman, Intergovernmental Panel on Climate Change

Shrimati Kiran Agarwal, Secretary, Ministry of Urban Affairs and Employment

S. S. Boparai, Secretary for Foreign Affairs, Ministry of Non-Conventional/Conventional Sources of Energy, Government of India

Nay Htun, Assistant Secretary General, United Nations

C. P. Oberoi, Inspector General of Forests, Government of India

Kenneth King, Assistant Chief Executive Officer, Global Environment Facility

(The discussion was preceded by a multimedia presentation on India's efforts toward sustainable development.)

ANAND: India's direct dependence on natural resources has decreased over the years. Now the manufacturing and service sectors form the bulk of our national

income. Disposable incomes are on the rise. Our farmers are producing more than ever before...However, these developments have increased the pressure on our forests and rivers and on our select bodies which have to keep up with the rapid pace of urbanization. Similarly, the demands on our planners to provide adequate energy and material goods for our people have increased.

Balancing these development pressures and the health of our natural resources is not an easy task. This has necessitated many initiatives both within and outside the government. Our multimedia presentation represents only a fraction of the numerous initiatives that have been taken so far and may not really do justice to their vast scope and accomplishments. You've seen the numerous strides we've taken, but there are critical challenges that still remain. In spite of these quantum strides towards the path of sustainable development to improve the living standards of our citizens, we have to do very much more.

I would like to commend the good work that has been done by GEF so far. We've always had a positive response from GEF. It is in this spirit that we would like to offer a few suggestions. The first issue I would like to touch upon is that of incremental costs. GEF

supports incremental costs only in terms of global benefits. Investments for baseline activities, to the extent that these accrue to the host country, are to be funded by the latter's own resources. Therefore, on average, GEF funding accounts for between 20 to 50 percent of a total project cost. This leaves a large financial gap which host countries, being developing countries, find very difficult to make provision for. This really, therefore, does not adequately reduce our financial burden.

Secondly, we find that incremental costs do not always reflect ground truths. Here we feel there is need for greater participation by local consultants. India and several developing countries have a wealth of eminent scientists and environmentalists who have the advantage of being familiar with local strengths and weaknesses...The costs of capacity building in a host country are not being treated as part of incremental costs. We strongly feel this approach needs to be changed. Capacity building should be a concurrent activity and built into projects.

We compliment the GEF's initiative in introducing the medium-size window. This has really helped the approval procedure, which has now been compressed to six months. However, the remaining project cycle continues to be lengthy, and after a close scrutiny and a review of at least three times, the process takes years...

GEF's operational programs cover a wide range of sectors. There is ample scope for expansion, particularly in the areas of transportation, forestry, and water cleaning. For example, forestation, which is presently covered under short-term measures, could also be linked to climate change-related perspectives. There needs to be more flexibility on issues where operational strategies by GEF have yet to be finalized...

India has taken several steps for greater involvement of local stakeholders. Starting from 1994, we have conducted several workshops to encourage greater participation from NGOs, industry associations, and other premier institutions. We are drawing up a plan for increasing the extent of this participation in tandem with GEF.

GEF has great promise as an effective vehicle for technology transfer, but successful transfers will need to be accompanied by adequate fund flows. It is important that, in addition to mitigation technologies, there is equal emphasis on adaptation technologies.

GEF funding is for projects which have global benefits. But global benefits cannot accrue unless there are equal national benefits. Our commitment to provide a basic standard of living for our people cannot be overstated. Therefore, global environment priorities will have to be seen as an extension of the national endeavor. Unless national priorities are the

integral component of global priorities, I don't think we will be able to move towards a win-win situation, and a win-win situation can only be won where you have both high national and global priorities.

PACHAURI: GEF should concentrate on developing linkages and partnerships with a number of organizations, because it's from a free flow of intellectual inputs that one might be able to arrive at priorities and projects that would really help not only the cause of global environment protection but also sustainable development at the local level.

I see great benefits in pursuing the PRINCE (Program for Measuring Incremental Costs for the Environment) initiative with some vigor because not only would it help clarify what constitutes incremental costs, but this would also help groups outside the government and governments themselves in understanding what should go into the assessment of incremental costs. I submit that this kind of intellectual partnership which helps not only to throw light on some of the elements of a good GEF project but also helps to create understanding among those who are project proposers will certainly accelerate the process.

BOPARAI: Our attitude toward the GEF and its role or utility is that it is very positive, very supportive, and it has helped us to reach a status which would be the envy of any country, not just a developing country. The World Water Institute has declared India to be a new superpower in wind energy, and I think that's where the GEF has given us very able support. We not only have now over 1,000 megawatts installed, but we also manufacture wind turbines, and it's a matter of pride that the first wind turbine manufactured in India has been exported to a developed country like Australia.

KHOSHOO: I would urge, request, cajole, and advise you to put your multimedia presentation on the Internet. Let the people know what is happening. India is 576,000 villages. That is the weakest link, and the weakest link determines the entirety. Please do not think that they know nothing. There's enough knowledge. You and I can learn a lot from them...We have never paid any attention to their success stories, how they have managed over the generations, what they have done, how efficiently, how useful their technologies are. These may be small technologies, but they are very relevant.

I would urge you, Mr. Secretary, to apportion some of these funds to cull out these local technologies and to put them to wider use. We think that we are paragons of everything. We think we know everything. We don't...There are enough local technologies which satisfy four or five criteria, leading to environmental harmony, economic efficiency, resource conservation, local self-reliance, and equity and social

justice. They have cultural elements, and they have even gender equality.

AGARWAL: There has been very little direct intervention by GEF in the construction or transport sectors in urban India, yet these are the areas that are contributing heavily to carbon dioxide emissions, and I feel something drastic needs to be done to reduce the pollution from these sectors.

We definitely need to move away from owner-driven vehicles to a mass rapid transport system. We have made a beginning, but I think we need a lot more support to introduce this in all our mega-cities. I think GEF needs to look at some of our projects, and we will be working with the Ministry of Environment to ensure that some of these areas get a little more attention.

OBEROI: We seek the cooperation of villagers and tribals to protect the forest, and in view of that, fuelwood, firewood, bamboo, fodder, grasses, are supplied to them by the forest...

Our linkages with the forest and nature are very, very long. We have examples of people going to the forests in order to save them. In Rajasthan, we have a community which protects forests and wildlife also. A worship of nature and trees has been going on for a very long time, and trees and nature have been a symbol of mutual cooperation between various communities...As our forests are being maintained with the proper cooperation of the villages and the local communities, we do hope that they will be in a condition to provide them the basic requirements of their livelihood.

KING: India has been with the GEF from the beginning on the restructuring, through the replenishment as well, and also hosting this Assembly...About 9 percent of all of our project allocations are in India. We have about 17 projects at the moment, plus all the small grants...

Getting projects which are country driven is very important because, apart from anything else, it signals a commitment and a condition under which the things that we do are genuinely going to be sustainable...We hope that, as a result of GEF assistance for India's biodiversity strategy and action plan, national priorities in the biodiversity area will become further developed and further articulated. On that basis, we will have scope for further partnership in the resulting projects. There is also GEF support for India to develop its own institutional capacity and to develop options and alternatives which will form part of reporting commitments to the climate change convention.

I was very impressed by India's commitment to partnership... For us, too, commitment, collaboration, partnership, co-funding, public involvement are also signals of sustainability of GEF actions. We

would like to work with you very closely to make sure that this is also a feature of GEF projects. I note, for example, the solar thermal electric project in Rajasthan, where we have partners from our bilateral agencies, from KFW, and independent power producers. The wind farms project and solar photovoltaics project, which we are doing with the Indian Renewable Energy Development Agency, also involves investors and private sector local manufacturers.

The small hydro projects involve the Tata Energy Research Institute, a university here, and the Alternate Hydroenergy Center. And in the energy efficiency project, also with IREDA, we have...six times more money coming in from other sources, so that shows a real partnership and commitment which we feel demonstrates that we will have some sustainable impact. And, of course, the coal bed methane capture project involves co-funding from other sources...

We don't believe that there's a dichotomy between global and local. Clearly, if there's a linkage between the two, we have the basis for sustainable action... Since we've just recently concluded an agreement to provide project development for India on fuel cell buses and in other transport areas, we can, in fact, address both the greenhouse gas emissions problem as well as local air pollution problems... By uniting these local and global interests we can make sure that GEF-supported actions will have the commitment of the population and of the country and will be sustainable.

HTUN: During the last couple of months there has been tremendous progress in working out guidelines for national execution, and we have been discussing these with the Ministry of Finance...We hope the new procedures here would allow projects to be implemented much quicker...

I'd like to draw your attention to the effectiveness of local participation and particularly NGO participation, and the document which has been distributed about how NGOs have been participating in UNDP-GEF projects.

They are also very cost-effective in the first phase. For about \$300,000, 24 projects were implemented... And it is because it is so cost-effective that out of the UNDP country office's resources we ourselves will be putting more money into the small grants program...

A global problem, a global solution, is nothing more than a sum total of national activities... So there's no question that there must be national benefits, and the results of the national benefits add on, accrue, to a better understanding of what the global problems are, and hopefully a better solution to global problems...

Many countries, India particularly, have tremendous water resources. We know the consequences of

large dams, but very small, micro, mini, hydropower projects can bring benefits directly, more effectively, to the local level without long transmission lines, losses in energy, et cetera. It also brings benefits to the people... Again, the coal bed mitigation project brings immediate local benefits, but by capturing the methane, it helps reduce greenhouse gases.

As countries in Europe and North America, since the dawn of the Industrial Revolution 200 years ago, have created what was known as the black country

because of the burning of coal...there should be no question whatsoever why countries like India and China, which have an abundance of coal resources, should not be able to use it. However, there is also a recognition that while these are the sovereign resources of a country, countries like India are extremely responsible countries which know their basic global responsibility. So I think there should be more international effort to see how there can be cleaner coal combustion and cleaner uses of coal.

Panel on Science and the Environment

Chair:

Jody Parikh, Acting Director, Indira Gandhi Institute for Development Research

Panelists (all members of GEF's Scientific & Technical Advisory Panel):

Pier Vellinga, Vrije University, Amsterdam and STAP Chairman

Jorge Soberon, National University of Mexico

Robert Williams, Princeton University

John Woods, University of London

Istvan Lang, Academy of Sciences, Budapest

PARIKH: The GEF Council desired an independent panel of experts...a Scientific and Technical Advisory Panel—in short, STAP—to be associated with GEF activities. Although it is independent, we work closely with the GEF Secretariat and the implementing agencies: World Bank, UNEP, and UNDP.

Even though most of us represent two or three kinds of expertise, we still need to have large scientific bodies behind us, and that is why we have done extensive scientific networking. First of all, we have produced a STAP roster in which we have enlisted many other experts which are then called for reviewing GEF projects when necessary...

STAP's contributions lie in the area of GEF operational program development and strategic advice for various GEF projects and also the project portfolio. We also have selected reviews for that purpose, and we have written a document on targeted research. You might want to look at STAP workshops on transportation, coal, renewable energy technology, land degradation, international waters assessment, and technology transfer.

VELLINGA: It's only a few years ago that the World Bank issued a report illustrating that economic

growth is indeed the best way to reduce environmental degradation. And this view is supported by many publications of the United Nations agencies stressing and illustrating that poverty and environmental degradation are directly linked. These messages imply that we can best address our environmental problems by encouraging economic growth...

In fact, what's happening is that eco-efficiency increases do not really keep up with economic growth, at least not with the present policies. And this is particularly so for those problems that are related to these major bio-geochemical cycles...If we indeed look at land use, it is relevant for all the GEF focal areas, not just for the protection of and sustainable use of biodiversity but equally for watershed management and the quality of international waters. Moreover, land use does offer opportunities in the field of biomass energy production and carbon sequestration.

Still, in practice, some of these land-use objectives are in competition with one another, while in other ways there may be opportunities for synergies. For an organization like the GEF, it's crucial to identify the various conflicts and opportunities. Science can make an important contribution... the minimum science can do is (ensure) that solving one problem does not create equally another one... In all these fields, the scientific community, through the STAP, can assist GEF in identifying the risks and the opportunities that arise when all these interlinkages are clarified and used as a basis for multi-benefit solutions...

SOBERON: One of the main issues that STAP has addressed is the concept of sustainable use. Biodiversity is a word that covers...the manifestations of life on Earth. Starting from single individuals and genes, moving upwards to the assemblage of those individu-

als and their behavior in forests or other ecosystems, in landscapes in which different ecosystems interact, all the way up to our entire planet.

But it is sometimes forgotten that human stakeholders are also assembled on larger and larger scales, again, starting from the individual providing food for his family to the local markets in which those products are sold and traded, to markets from different cultures, all the way up to the globalized markets in which our world is entering every day and more and more so in the future.

This call for what is called the ecosystem approach to the conservation and sustainable use of biodiversity, recognizes the levels of biological organization and also recognizes that humans are an integral part of ecosystems...

I'd like to give you an example of these kind of ideas in the...Campeche and Quintana Roo states of Mexico. These people have been rubber tappers for chewing gum for decades, and they are also interested in timber extraction. These communities have organized themselves, have empowered themselves. They now control their resources. They own the land, and they own the trees...and they directly access international markets for their timber and their products...the quality of life of the people is increasing. They have now their own clinics. They pay for their own medics. They pay for their own teachers. The structure of the populations of the butterflies and birds is not changing. It is maintained within the exploited forest. However, the composition of species of the forest, of the trees itself, is changing because the people are planting actively certain species rather than all of them. So this is becoming an important issue to monitor...

This integrated perspective I am trying to give you comes from the work of many people... Perhaps what is new is the idea that agencies like the GEF should take this integrated view in which conservation and sustainable use and sharing of benefits are developed, according to the ecosystem approach...in which we acknowledge that...there are stakeholders at all levels of conservation of biodiversity; community empowerment, the sharing of values, and the creation of trust are very important factors; market tools have a place to play; property rights must be clearly established in order to allow these things to proceed, safe minimum standards are also required...and finally, targeted research is required because of the complexity of the whole system and indicators will have to be also developed, tested, researched, and then maintained for long periods of time.

WILLIAMS: Two ongoing trends have profound implications for the global energy industries. One of these is the rapid rate of progress toward commercialization of a wide range of environmental energy tech-

nologies, which I define as energy technologies that have a high degree of inherent cleanliness and safety and, thus, are able to meet environmental and safety goals without the need for complicated and costly end-of-pipe control technologies.

The other trend is the restructuring of the energy sectors of most countries in the world that are participating in the ongoing globalization of the economy, with growing roles for private sector, for market pricing of energy, and increased competition.

The momentum toward commercialization of environmental energy technologies can be illustrated by the rapid advances relating to several of these technologies—wind, photovoltaic power, and biomass power generation technologies—and also the use of fuel cells in transportation...

The important point is that these technologies, which are just illustrative of a larger set of technologies of this type, could all be playing significant roles in the global energy economy by 2005, which is not very far from now, if there were efficient market-pull policies put into place in various countries around the world...

Are the trends toward commercializing environmental energy technologies and restructuring of the energy industry, are these antithetical trends? Will energy industry restructuring reduce the momentum toward commercialization of these environmental energy technologies? Or can the industrial dynamism of a restructured energy industry be harnessed to accelerate the commercialization of these technologies...

In (industrialized) countries, measures that protect longer-term societal interests have been given close scrutiny as key elements of policies to regulate the transition to a more competitive electricity market. Examples of such regulatory measures aimed at launching renewable energy technologies in electricity markets while making maximal use of market forces and finding the most economically efficient ways to do so are...options and so-called set-asides. A concrete illustration of the option is the renewables non-fossil fuel obligation in the United Kingdom. An illustrative set-aside instrument that is under active consideration is the renewable portfolio standard in the United States.

Under the renewables non-fossil fuel obligation established in conjunction with the United Kingdom's power sector privatization initiative, some 1,500 megawatts of renewable electric supplies will have been purchased by electric utilities by the year 2000 as a result of a series of options that are being held to spur competition and encourage cost convergence between renewable and conventional energy supplies. And, indeed, the experience to date has been very promising in this regard as there has been a

decline by a factor of two in the average bid price between the second and the fourth options that have taken place to date.

A renewable portfolio standard is one important element of a bill to promote competition in the electric industry submitted recently to the United States Congress by the Clinton administration. The renewable portfolio standard requires each electricity supplier to provide a specified percentage of total sales as non-hydroelectric renewable electricity, a percentage that rises to 5.5 percent by the year 2010, and each supplier must either generate the renewable electricity in this minimum amount or purchase tradable renewable electricity credits from others who produce more than the required minimum amount.

There are very good prospects that such programs will be effective in establishing a range of renewable and other environmental energy technologies in the markets of the now industrialized countries. An important question that arises is: Should developing countries wait until such technologies are fully established in the markets of the industrialized countries before pursuing them for their own markets? Or should developing countries instead play active roles in helping bring these technologies to the market?

A major drawback of playing an active role in bringing these technologies to market is that initially they will be more costly than conventional energy technologies. And many would agree that buying down the prices of new technologies through large-scale deployment would be an inefficient allocation of scarce resources for developing countries which have so many pressing problems to attend to.

On the other hand, developing countries willing to play active roles in bringing these technologies to market could potentially evolve into market leaders for many of these technologies, both because their rapidly growing internal markets would enable them to progress rapidly along learning curves and thus accelerate the pace of technological price reduction, and because once the technologies are established in the market, production costs could well be lower than in the already industrialized countries, owing to the lower wage rates at all levels of skills in developing countries compared to industrialized countries.

Renewable and other environmental energy technologies are strategically important for developing countries, first because environmental problems are already severe, with a huge toll in human health costs arising from air pollution, for example; because without stringent controls these problems are going to get worse with rising incomes and energy use levels; and because it will be difficult to meet environmental goals simply by mandating end-of-pipe controls on energy technologies that were designed originally without environmental concerns in mind...

The dilemma concerning the active participation of developing countries in the commercialization of environmental energy technologies could be resolved if ways could be found to help pay for the incremental cost of buying down to market clearing levels the prices of these new technologies. A grand bargain for doing this is what I'm going to propose at this point...

Countries of the North and the South would work cooperatively to catalyze the technology revolution that could make many of these environmental energy technologies widely available and competitive in 5 to 15 years' time...developing country partners intent on getting involved in the innovation process for environmental energy technologies would agree: first, to adopt local and regional environmental policy reforms and accelerate the introduction of energy market reforms that would make their countries favorable theaters for innovation for environmental energy technologies (reforms that would include both market pricing of energy and the establishment of well-defined and transparent rules relating to the participation in these markets by foreign companies); and second, they would agree to introduce minimum quantities of targeted environmental energy technologies under competitive conditions aimed at bringing about cost convergence with conventional energy technologies in the form of options or set-asides...

To help accelerate the rate of introducing these new technologies, the international community under this grand bargain, through instruments such as the Global Environment Facility or the clean development mechanism, would agree to the following: first, to help support the capacity building in developing countries that is needed to facilitate the technology transfer and technological innovation processes; second, to encourage international collaborative energy research and development aimed at shaping environmental energy technologies to best conform to local needs in developing countries; and, third, and perhaps most important, to help buy down the prices of these technologies to market clearing levels by paying for the incremental cost...

Both private companies in and governments of the industrialized countries could also gain from the grand bargain. Many energy companies in the industrialized world have strong commercial interest in participating in developing country energy markets which account for most global energy demand growth. Such companies could bring both new environmental energy technologies and wide experience with the process of innovation to developing countries in partnership with local entities for manufacture, marketing, and product development in developing countries.

Moreover, because most environmental energy technologies such as energy-efficient end-use tech-

nologies, fuel cells, and renewable energy technologies, provide not only local and regional environmental benefits, but reduce greenhouse gas emissions as well, industrialized country governments would be powerfully motivated to support such a grand bargain as a strategy for encouraging the pursuit of greenhouse gas emissions reduction opportunities on the part of developing countries...

WOODS: The GEF is concerned with global problems, and some of the water problems can be described as truly global. There are pollutants that are carried by ocean currents all around the world. But I must say that very few of the GEF projects are concerned with these global problems. They're mainly concerned with regional problems, which involve trans-boundary transport, whether it's through rivers, in lakes, or in the coastal seas. So that's really been the main focus.

The different focal areas are not totally independent, and when you look at waters, there is a strong linkage with each of the other focal areas... if you discuss the progress made by the IPCC in looking for scenarios for climate change in the next century, it's very clear in their report that their ability to forecast how climate will change, both globally and regionally, depends critically on the ability to describe the way the oceans interact with the atmosphere.

In biodiversity, we've already heard from Jorge Soberon that marine biodiversity is an important element of that focal area. Even the ozone depletion problem comes in because there's growing evidence that there's genetic damage to plankton in regions where there is stratospheric ozone depletion where the ultraviolet radiation is higher, and, of course, these are high fisheries areas. And this needs further study.

Finally, of course, the changes of land use have an enormous impact on waters, whether it's lakes, rivers, or in the coastal seas.

In STAP, we've focused on two particular themes...firstly, the need for a global assessment which can be comparable with the work that is being done for climate by the IPCC, in biodiversity by the global biodiversity assessment, and, of course, in stratospheric ozone, by that assessment...

There has been no global assessment of the problems of waters, in particular in the coastal seas. Now, this is a projection that shows the whole world, and, of course, fresh water is the white region and the problems that we're mainly concerned with in the sea are the red regions, the coastal zones. And it's been possible to divide these coastal zones into a number of local regions, large marine ecosystems, and the assessment will look at each of these in turn and study the particular problems that each has.

We call that the diagnostic part of the assessment.

One has to diagnose what the problems are, how they vary from place to place, how one might begin to develop a prioritization, because we know that the international waters focal area is unique in the GEF in that there are more demands for projects than there are funds available. That's not true in the other areas. So prioritization is an important part of the work of the Secretariat and the Council.

We need to have a sound scientific basis for that prioritization, and so the assessment which will be carried out over the next five years or so will look at these problems. But diagnosis is only part of the problem.

If you look at the IPCC, much of their work has been concerned with prognosis, with asking how far have we got in our scientific understanding of the environment in order to say what will happen. What will happen if we do nothing about the climate? What will happen if we carry out certain remedial actions of the kind that Bob Williams was talking about, changing the pattern of energy usage in order to reduce the predicted changes in climate in the next century?

So the question we have is: Do we have enough knowledge about the water systems in our planet to predict what will happen if we do nothing, what will happen if particular courses of actions are proposed?

...the second part of the global international waters assessment will be concerned with this question of laying bare absolutely clearly what can and can't be done in the way of scientific statements of predicting the consequences of action. We don't want to invest a large amount of GEF money in projects not knowing what the consequences of those projects will be.

The second focus that I want to discuss is the introduction of new methods of information technology into international waters projects. The international waters projects lend themselves very much to introducing knowledge-based systems, and in the OECD countries in the last decade or so, there have been radical developments in the way in which we monitor the system and interpret the measurements. I would like to just give a few examples.

Shore-based radars can monitor the flow through straits and monitor the waves and the currents very economically. The cost is just a few antennae left unattended on the coast. One just needs a fence around them to stop the sheep from knocking the antennae over. And this will give a day-in, day-out monitoring of the flow. This is not being used in any GEF project at the moment, and STAP has drawn attention to the effectiveness of this technique, and particularly the cost-effectiveness of it.

We all know, of course, the impact of satellite observations of the ocean. There are now four ocean-observing satellites circling the globe...it's taken real-

ly the last ten years to work out how to make use of this information. But the information now is flowing, and we've worked out how to exploit it, and we need to bring that into GEF projects.

We have robots in space. We call them satellites. In the future, we'll be making most of our observations in the ocean by robotic systems...a prototype is now undergoing trials off Bermuda.

This is costing about a tenth of the cost for a given collection of data compared with using the traditional methods, taking ships to sea and lowering instruments into the water. We envisage that the great experiment just finished, the world ocean circulation experiment, which had ships moving along each of these lines and took ten years to map the ocean currents globally, will be done routinely by these robotic systems in the future and provide for the first time a truly global context within which the regional projects looking at coastal seas will be set. Other methods which are very cost-effective are free drifting floats...which rise up and down through the water, making measurements and sending their data back centrally.

The other half (of the equation) is new methods for making use of those observations, and mathematical models now reach the stage where the ocean can be described in the equivalent detail to that of weather forecasting in the atmosphere. So we see the storms off South Africa and South America and Australia and New Zealand. These are storms inside the ocean and controlling the dispersion of pollution, the control of fisheries, and so on. Knowledge and the ability to forecast these storms is crucial to the next generation of projects.

LANG: I will give you information on a very important event which will happen next year, the so-called World Science Conference, which is organized jointly by UNESCO and ICSU, the International Conference of Scientific Unions.

The Hungarian Government invited the World Science Conference to be held in Hungary, in Budapest, and the dates are already fixed, from June 26 to July 1 next year.

What is it, the World Science Conference? According to the ideas of the main organizers, it will be a forum of high-ranking policymakers, science policymakers especially, high-level scientists, and representatives of the young generation of scientists.

UNESCO and ICSU will organize this conference together with many partners—UN agencies, the World Bank, OECD, the Third World Academy, European Union, and many others. All together around 30 partners have expressed their interest.

There will be three major fora on this World Science Conference. Forum 1 will deal with the internal problems of science, achievements, shortcomings, and challenges...such as how can science help close the gap between developed and developing countries, science teaching and training of scientists. Another will deal with science for economically viable, socially equitable, and environmentally sound development and, last but not least, science and the challenge of global environmental change...

Forum 3 look will look ahead to the 21st century towards a new commitment to science by non-governmental scientific organizations, intergovernmental scientific organizations, civil society, governments and parliaments, industrial institutions and the private sector...

The main output of the conference is planned to be a declaration on science and a strategy for action. I recommend that GEF as a whole consider becoming one of the partners of UNESCO and ICSU in organizing the World Science Conference, assist in the preparation of the presentation of links between science and the global environment, and work to include into the final documents the commitment for science toward solving global environmental problems.

Panel on GEF in the 21st Century

Chair:

Liliana Hisas, Fundacion Ecological Universal, Argentina

Panelists:

Thomas Odhiambo, RANDForum, Kenya

Simone Lovera, IUCN-Netherlands

Taghi Farvar, CENESTA, Iran

Juanita Castaño, UICN-SUR, Ecuador

Ashok Khosla, Development Alternatives, India

Ms. Hisas introduced the panel, explaining that the participants would not only explain how they as non-governmental organizations had worked with the GEF, but how the GEF-NGO relationship could be strengthened. She noted, for example, the input NGOs had provided to the Overall Performance Study, following discussions in the NGO Consultations. Ms. Hisas said that in some countries governments engage NGOs in designing project proposals, but do not include them in project execution. Another barrier is lack of information about government activities in the area of the global environment.

Ms. Hisas said the NGOs had prepared a paper for the Assembly, highlighting the need for : (a) infusing the GEF with a genuine learning culture; (b) mainstreaming; (c) expanding the number of GEF Implementing Agencies (IAs); (d) enhancing the leveraging and catalytic role of the GEF; (e) incorporating specific concerns of developing country NGOs; and (f) strengthening the role of NGOs in the GEF.

Mr. Odhiambo focused on community participation in conserving and protecting environmental resources, using an ancient, sacred forest in Kenya as an example. He said that community use of resources were more likely to promote sustainability and equity than private ownership and highlighted Kenya's experiment to develop model legislation for community ownership of forests, riparian rights, watershed zones, and wildlife areas.

Ms. Lovera asserted that NGOs are "born naggers," a characteristic resulting from being both idealistic and critical. Being critical is an essential part of making the GEF and other environmental institutions more participatory and effective. She noted that while NGOs would continue to nag about such "astonishing little details" as the fact that the World Bank spends some \$9.4 billion on fossil fuel projects,

such a "non-constructive approach" did help lead to the establishment of the GEF.

Ms. Lovera said that the recently-signed Treaty of Amsterdam required the EU to mainstream sustainable development through its many policies, programs, and funds. This would be a major undertaking, given Europe's huge agriculture, trade, transport, and investment sectors. She added that at present certain policies do not appear to have much impact on European ecology per se, but greatly affect the sustainable development of developing countries, which clear-cut (perhaps with development assistance) and import hazardous agro-chemicals, for example, in order to bolster production of cash crops for export to Europe. This creates a cycle of ecologically destructive practices in the South and wasteful use of resources in the North. Ms. Lovera referred to a recent meeting of the Intergovernmental Panel on Forests to address the underlying causes of forest degradation, including examining case studies developed in close cooperation with local communities and indigenous people affected by forest loss.

Ms. Lovera said NGOs could play a very important role in mainstreaming, through intergovernmental and interagency forums, and can draw attention to potentially hazardous outcomes of such negotiations as the Multilateral Agreement on Investment. She complimented the United Nations for its efforts to mainstream sustainable development throughout its various programs. She encouraged NGOs to continue to "keep up the pressure," saying "no" to: opening up primary forests to logging companies, to fossil fuel, to Big Dams, to quick fixes for climate change, such as environmentally and socially destructive carbon sequestration, and structural adjustment programs which force developing countries to sell out their natural resources. In short, keep on nagging.

Mr. Farvar observed that each IA seemed to have its own style of undertaking environmental activities; the GEF is one the sidelines. Similarly, governments seems to do their own thing; civil society is on the sidelines. Mr. Farvar said NGOs know more about sustainable development; many have been in situ for millennia. He said it is important to "go back to the wisdom of our forefathers," a point made strongly to him following his recent trip to Yemen, where a UNDP-financed project is being implemented in concert with traditional community groups. He wondered if the GEF could help "harvest" such rich traditional knowledge through its projects. He concluded by complaining that the Small Grants Programme,

which is of greatest interest to the grass roots groups he works with, is “too exclusive” and too narrowly confined to a small group of countries; it should be expanded as much as possible.

Ms. Castaño reminded the audience that it was the developing countries who had insisted that environmental protection should be inserted into development activities, and not the other way around. Her concerns related to the inconsistent approach of the international community in addressing sustainable development. For example, in Latin America, the international community was helping to support a biodiversity project in Bolivia; meanwhile, the government was planning to build a major highway, which would damage the area which so many were collaborating to protect. She was pleased to see several senior finance ministry representatives at the Assembly and hoped this would bode well for major government commitments to protecting the global environment.

Ms. Castaño noted that “participation takes time,” adding that societies should resist pressure to do something quickly unless major actors are involved. She added that the GEF could help promote participation by creating awareness in the public and private sectors of the global environment and the Facility’s efforts to address problems. Ms. Castaño also called for the use of local knowledge in GEF projects and emphasized the importance of linking local and global environmental priorities. She called on countries to develop biodiversity strategies (many have not done so to date) and reminded them that the GEF enabling activities fund could help pay for the design of such strategies. However, she added that though a country may get funding for its biodiversity enabling activities, its economic activities may contradict Convention objectives or it may lack resources to implement its strategy. She called on the international community to commit more resources for protecting the global environment, recalling that the GEF was supposed to get “new and additional resources to fund global increments.”

Mr. Khosla agreed with several of the previous speakers that “environmental issues can only be addressed by sustainable development.” He thought

the GEF was misnamed (“It should be the Global Sustainable Development Facility”) and asymmetric, because it “throws a little money to the South” without dealing with the major source of global environmental problems: Northern industrialized economies. He asserted the need for more funding and noted that the GEF could not really address systemic issues (for example, it could fund equipment for tiger wardens, but could not supply such incentives as life insurance or scholarships for their children). There is a need to provide local incentives to solve global problems.

Mr. Khosla asked if the funds committed for protection of the global environment were truly “additional” —had a report of any kind been prepared? He lamented declining ODA, noting that the so-called increased foreign direct investment was only going to a handful of developing countries. He said NGOs should continue to get to the basis of systems so that they could address the “real” challenges of the GEF.

Several NGOs commented from the floor, expressing some frustration with bureaucracies and “sectoral thinking.” Some said that political decision-makers need think with longer timelines than the next election. One NGO suggested that NGO networking would be greatly enhanced by setting up national councils in support of the GEF and working more actively with the media. Another NGO called for a “partnership initiative” to introduce environmental technologies in developing countries and address gaps in sectoral development; he also agreed it was important to work not only through traditional environmental forums, but other important and relevant economic negotiations, such as GATT and ISO 14000. One NGO said the GEF needs to establish certain standards for project participation which must be adhered to in order for a project to be approved; she also emphasized the importance of addressing such negative economic instruments as “unsustainable subsidies” in the agriculture and energy sectors. Finally, there were a couple of complaints about the poor quality of some national operational focal points and a plea for efforts to improve the links between government and civil society representatives actively involved in GEF activities in-country.

Panel on Media & the Environment

Chair:

Ron Sanders, High Commissioner to the UK for Antigua and Barbuda

Panelists:

Adrian van Klaveren, News Editor, BBC

Anita Pratap, Asia Correspondent, CNN

Regina Scharf, Gazeta Mercantil, Brazil

Diego Perez Andrade, Diario La Nacion, Argentina

Mr. Sanders introduced the panel with the comment that building awareness rests first with governments and international agencies such as the GEF. The media are not monolithic with a single decision making body... The media are influenced by nationalism, advertising revenues, and the attitudes and knowledge base of individual journalists. Their role is to report events, examine, look at the different sides, not take an activist position.

Mr. Sanders called for three things. GEF, UNDP, and UNEP should: initiate a campaign with local popular media, including filmmakers to be partners in responsibility; educate producers of programs including drama producers together with UNESCO; and assist disadvantaged nations by providing assistance to media houses to train journalists.

Media houses in industrialized and industrializing nations are only as good as the info they receive and the attitudes they report.

Ms. Pratap noted that, now that we have moved from the industrial age to the information age, there is less of a focus on mass production and more on customized products. She stressed the importance of humanizing environmental issues because personal tragedies and achievements are universal in their appeal. The media, she said, should be a catalyst of change and not an agent of it.—That must be left to governments, non-governmental organizations, and community leaders.

Ms. Pratap said that too much is expected of the media in the way of enforcing change. There are two schools of thought: activism versus professional reporting. When journalists become activists they become participants in the story and this undermines their credibility. The media must be a forum for debate of all points of view.

The media must also be a watchdog, locate environmental problems, report on solutions, and check their progress. It is also the media's role to publicize

successful programs and not simply criticize. Reporting good news has three pluses: it provides a refreshing change for viewers; it acts as a spur, encouraging those pursuing the work and inspiring others; and it informs the world about programs worthy of replication which is a great service.

Ms. Scharf spoke in favor of the media as “active partners” in spreading ideas about sustainable developing. Journalists often travel and have the privilege to see ideas born and develop. She added that journalists will never do a good job until they systematically study the many sides of the stories - including the scientific and economic sides.

Ms. Scharf noted that too often the environment is portrayed as something beautiful with “fluffy animals” or it is presented as accidents, pollution, but it is frequently covered—a la ligere—very lightly, without looking in depth at what happened or following up.

Ms. Scharf highlighted the lack of environmental journalists. At her own newspaper, there were 5 journalists covering the environment in the years just before the Rio summit; now there is only one. She ended by calling for journalists to use their critical faculties when presented with environmental stories, citing the example of a business in Brazil which was publicizing the substitution of HFCs for CFCs in their refrigerators. This development was hailed by the company and by journalists as an environmental success story, despite the fact that HFCs are very harmful to the ozone layer.

Adrian van Klaveren began by noting that certain things have stood in the way of environmental reporting. It used to be seen as an optional extra. The green movement was perceived as wacky, out of the mainstream, and it was difficult to incorporate environmental issues into the rest of reporting. But the utopian strain of environmentalism has fallen away and progress has been made in presenting environment as part of the overall organization of production and consumption. This more holistic approach has gotten environment onto the mainstream agenda.

What is news? van Klaveren asked. It used to be defined as something that has just happened, that's new or surprising. Those aspects are rarely present in environmental stories. For example, the destruction of the world's forests is underlying, steady, incremental but it is happening just the same.

Another inhibiting factor to good reporting is the all encompassing nature of the environment. It is local, global, and crosses sectors from transport to

energy, agriculture, development policy and social policy...TV and radio especially need stories to be rooted somewhere.

The best environmental stories are win-win, good for the environment, good for the economy, good for developed countries as well as developing. But this goes against preconceptions that conflict is the essence of good reporting.

Van Klaveren reported that the BBC a decade ago had 1 reporter dedicated to the environment. Now it has 4 and they are being consolidated with reporters working on transport and sustainability into one specialist section, sharing common goals to overcome narrow specialist thinking.

In an attempt to raise the profile of environmental stories with high impact programming, the BBC experimented with "water week", presenting documentaries, news reports, and phone-in shows all focusing on ways people use water, supply it, and

how it is paid for. It was not done as a campaign but simply to draw attention and let people judge for themselves.

Van Klaveren made a distinction between the environment stories that permeate daily coverage such as Amazon forest fires and smog in Indonesia and the need to get beyond the headlines...a thorough balanced approach is rightly what should be demanded of the media.

Mr. Andrade noted that in Argentina there are practically no specialized journalists who deal exclusively with environmental issues. Most of the information they get comes from private enterprise which are precisely those who cause the pollution. To make them less dependent, Mr. Andrade favored using the resources of international agencies to train journalists. Not to make them all uniform and all write about the same thing but to give them a means to improving their ability to carry out their tasks.

Developing Country Private Sector Responses to the Kyoto Protocol

Chair:

Barber Conable, past president, World Bank

Panelists:

Joaquin Ledesma, Ledesma Associates, Argentina

B.S.K. Naidu, renewable energy expert, India

Dana Younger, International Finance Corporation

The panel discussed the need to bring international and national priorities into a cooperative framework with the private sector; the extent to which the private sector in various countries are addressing (or are unaware of) the concerns of climate change, and the role of institutions like the IFC and GEF in facilitating measures to address climate change.

CONABLE: The private sector has a growing role in GEF and World Bank. It must be enlisted in cause of a better (i.e. more environmentally sound) world. How do we do this?

LEDESMA: The private sector and governments often look at climate change with an eye towards transferring the costs onto someone else. There is a shared recognition that Kyoto will lead to economic changes in all countries.

Research in Argentina showed that there has been improvement in the situation of GHG emissions in recent years through greater reliance on hydro power and methane. Overall, though, the private sector in Argentina does not consider climate change to be a priority. Medium and small size companies in particular have little awareness of climate change and how it could affect them. Furthermore, they are hesitant to provide information on their outputs and emissions, for fear that they will face additional taxes as a result.

Two results of recent studies are that it is not advisable to promote sectoral policies without taking into account environmental concerns (i.e. "mainstreaming") and that there is a tremendous need for greater information dissemination—it needs to be disseminated in the same way as GHG emissions. Entrepreneurs must be made aware that it is rational for them to include climate change considerations into their decision making...this is essential for success. In addition, the government often does not have an adequate understanding of the concerns and realities of the private sector; there are some some poorly understood aspects of the private sector by government officials.

To adequately deal with climate change, there must be convergence in policies and priorities at three lev-

els: the international level (World Trade Organization, World Bank, IMF); the national (macro) level, where there is complementarity with the third level, the private (micro) sector.

YOUNGER: IFC recognizes the importance of clean energy technologies and is trying to integrate investment in these areas into normal activities. The economic viability of these technologies is not fully competitive with conventional sources in many cases; or there may be barriers to effective implementation.

GEF is a tool for the IFC to stimulate new activities for bringing frontier technologies more fully into the marketplace. IFC has a \$100 million GEF portfolio. It is also engaged in exploring new financing modalities beyond GEF in Archives Implemented Jointly under the U.N. Framework Convention on Climate Change. We are seeking to demonstrate the principle of incremental finance in exchange for carbon credits.

Some examples: in Argentina, with GEF support, we are administering a grant to an oil company to explore the feasibility of reinjecting CO₂ for increasing productivity of existing oil wells; working with commercial banks in developing countries to encourage them to enter into financing arrangements for energy efficiency projects; making concessional loan funds to local funders like Grameen Bank to develop solar photovoltaic business activity through their well-established network of rural branches and micro-credit customers. As far as non-GEF activities: we have invested in a number of Central European countries to extend the use of liquid petroleum gas, which substitutes for coal. Exploring the possibility of financing AIJ pilot activities in Central American countries (biomass, wind, biomass cogen in sugar industry).

IFC has seen some evidence of growth in market for carbon transactions since Kyoto...there are reports of a transaction involving a Japanese trading company and a Russian energy company to upgrade 70+ Russian power plants with the resulting carbon credits going to the Japanese company. There are similar

arrangements in other countries, but we still have a long ways to go. We need a full fledged regulatory framework that still provides a profitable environment for the private sector in order for this to proceed. AIJ/CDM could provide an important framework for technology transfer.

NAIDU: In India, the private sector has been engaged to improve energy efficiency and to shift more towards renewable energy sources. India is 4th in the world in wind power capacity; has second largest pv industry; tenth in world in hydro capacity; and the largest sugar producing country, meaning that it has a high potential for biomass energy.

We have faced a number of constraints along the way: The storage of water is essential in India and helps foster hydro power. But there is a problem of siltation, which negatively affects hydro installations. Indian winds are peculiar, mostly coastal and tied to the monsoons. Cogeneration has been on-going in the sugar industry for decades, but very inefficiently...

In general, India's goal is to do selective interventions to create replicable models with multiplier effects. In wind energy, we are trying to improve the performance of windmills. At almost no cost, performance is improving...there had been poor maintenance and establishment of windmills. Solar energy is now recognized as an obvious financial option at a small scale, rural, level. This is largely because there is a corresponding increase in rural income from connection to solar power...the increase in income justifies the initial and monthly costs of installing and maintaining pvs.

LEDESMA: We have to be sure that greater investments in developing countries are relevant for dealing with issues like climate change. If 99% of new investment is concentrated on using conventional technology, then we are not achieving much. This is why I stress that there must be a convergence of policies and priorities at the international national, and micro level, or it will be very difficult to achieve positive results.

Panel on Global Parliamentarians and the Global Environment

Chair:

Doeke Eisma, Netherlands

Panelists:

Akiko Yamanaka, Japan

Mathias Benedict-Kean, Kenya

Barber Conable, USA

Mrs. Najima Heptulla, India

The panel discussed a number of topics, focusing particularly on the differences between parliamentary and federal governments, and the responsibilities and opportunities for the GEF and parliamentarians to promote greater environmental awareness.

CONABLE: There is a clear difference between the parliamentary and congressional systems of government in general: a failure or inability to address important issues can bring a government down in a parliamentary system; in contrast, such a failure leads to impasse in the U.S. system, with the result being that legislators will tend to focus on domestic policy concerns largely to the exclusion of foreign interests or obligations. This is the current case in the U.S. Congress.

In addition, there are different incentives for addressing truly global environmental issues between developed and developing countries. For developing countries, there is a strong incentive to participate fully in the GEF because it means additional financing, whereas for developed nations the benefits often appear to be rather indirect, particularly to legislators who have to vote on spending bills.

YAMANAKA: Japan and the world have drastically changed since the end of the Cold War. Preventative diplomacy is crucial to the new world view. Foreign policy's objective should be three-fold. First, promoting greater understanding and cooperation through the establishment and support of peace studies. Second, protecting the environment: the quality of life of everyone depends on a balance between the natural and human environment. In this regard, Japan should contribute more ODA and improve its technology transfer efforts to improve the global environment. Third element is promotion of human rights, with due respect to each country's culture and traditions.

GEF can support these efforts by introducing environmental education/studies to every country, help-

ing foster greater understanding among nations. Global Legislators for a Balanced Environment and GEF can work together to establish an information center for the international community on things like El Niño, deforestation, lessons learned on environmental projects, etc: practical ideas, successes, and failures. Finally, Japanese politics is not focused enough on the long term, and this may be a problem in other countries as well.

HEPTULLA: There are two dominant trends in the world today: rapid economic growth and increasing awareness of environmental concerns. They are running parallel, but not together. As of yet, there is no eco-friendly framework of industrial economics. However, parliaments can help by fulfilling their role as facilitator between the people and the executive. Parliamentarians can help foster environmental awareness by engaging the public, at the community level, and the executive branch to ensure that development and environmental protection are not working at cross-purposes. It is the responsibility of parliamentarians to make sure this distinction is made.

India's traditions are closely linked to the environment and we recognize that environmental problems can not be dealt with in isolation. Poverty is the greatest source of pollution in developing countries.

BENEDICT-KEAN: Parliaments have to ratify environmental agreements, conventions, and laws and support them throughout the legislative process (i.e. "mainstreaming"). For instance, adding taxes to things such as solar panels may negatively affect the environment and parliamentarians need to consider this. Mainstreaming is so important to ensure successful environmental protection, but very difficult to implement. This difficulty is particularly severe with regards to trans-boundary issues, like regulation of the Nile.

In terms of priorities, we need to balance poverty alleviation and sustainable development against environmental protection. There is a great need to educate parliamentarians and local communities about environmental protection. In Kenya we have a large number of environmental laws, but the budget is spread so thinly among ministries that the impact at the end of the day is insignificant. This is a problem throughout the developing world.

EISMA: A major problem in Europe is institutional: resolving conflicting institutional mandates in a way that will best support effective environmental protec-

tion. As it develops, the European Union may be able to provide a number of lessons to parliamentarians in other regions of the world in how to most effectively resolve transboundary concerns in a region with diverse interests. The challenge is to define the power of the nation-state viz-a-vis the power of the Union?

Finally, environmental efforts in Europe have been hampered by an over-reliance on high-paid, short-term consultants. This is probably an area where the GEF could learn some lessons as well. Efforts really must go into concrete actions on the ground, not expensive consultants.

CONABLE: There has been considerable improvement in the dialogue between the developed and

developing world on environmental issues over the past few years since UNCED and the GEF has been an important part of this.

HEPTULLA: India has proposed a Fund to promote technology transfer, but developing countries can not do this alone. The UNCED promises have not been kept by anyone. More money has been spent on talking about environmental protection than actually put into doing it.

EISMA: The GEF Council looks very closely at administrative cost and has kept them down relative to funding for actual projects. Unfortunately, consultants are often necessary if there is a lack of basic capacity in a particular region.



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